

Good & Service Tax has come in effect from 1 July 2017. Accordingly, Goods & Service Tax on Currency Conversion will be revised from 15% to 18% and will be calculated on taxable value as determined below:

(a) 1% of the gross amount of currency exchanged for an amount upto Rs. 100,000/- subject to a minimum amount of Rs. 250/- i.e. minimum GST payable is Rs. 45.

(b) Rs. 1,000/- plus 0.5% of the gross amount of currency exchanged for an amount exceeding Rs. 100,000/- and upto Rs. 10,00,000/- and

(c) Rs. 5,500/- plus 0.1% of the gross amount of currency exchanged for an amount exceeding Rs. 10,00,000/-, subject to maximum amount of Rs. 60,000/-, which caps GST payable at Rs. 10,800/-

The above provision is explained through below illustration:

(1) USD 3000 is sold to a customer at the rate Rs. 65 per USD. The gross amount of currency exchanged is Rs. 1,95,000/- Taxable value of supply = Rs. 1,000 + [(1,95,000-1,00,000)*0.5%] = Rs. 1,475/- GST payable = Rs. 1475 * 18% = Rs. 265.50/-

(2) USD 20000 is sold to a customer at the rate Rs. 65 per USD. The gross amount of currency exchanged is Rs. 13,00,000/- Taxable value of supply = Rs. 5500 + [(13,00,000-10,00,000)*0.1%] = Rs. 5,800/- GST payable = Rs. 5800 * 18% = Rs. 1,044/-