GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO. 1045
ANSWERED ON 28.07.2026

LONG TERM CAPITAL GAINS TAX

1045. SHRI NEERAJ SHEKHAR:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has scrapped Long Term Capital Gain (LTCG) tax for foreign investors recently;

(b) if so, the details thereof;

(c) Whether Government is contemplating to scrap LTCG tax on equities for domestic institutional and retail investors during the current fiscal year to boost the sentiments of the stock market and to attract investments to boost GDP, if so, the details thereof; and

(d) if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) No. Through the Income-tax (Amendment) Ordinance, 2026, the government has only rationalised the tax treatment applicable to investments by FPIs only in Government Securities (G-Secs), by exempting such investments from income tax on any interest or capital gain.

(b) The exemption is applicable w.e.f. 01.04.2026, i.e. the exemption will apply to any interest or capital gains arising to FPIs on or after 01.04.2026 in respect of investments in G-Secs.

(c) & (d**)** There is no such proposal under consideration. The tax policies, including capital gains tax rates, are reviewed periodically as part of the annual budgetary process after taking into considerations the macro-economic parameters.

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