

The Wealth Architects
We design your financial destiny

**Taxation on
Equity and Mutual Funds**

SECURITIES TRANSACTION TAX (STT)

Transaction	STT rate
Debt - All deals on debt market	Nil
Equity - Delivery based	0.125% payable both at the time of purchase & sale
- Non-delivery based	0.025% payable only when selling
Mutual Funds - Debt based	Nil
- Equity oriented	0.25% payable only when selling
Derivatives - Futures	0.017% payable by the seller
- Options (not exercised)	0.017% payable by the seller
- Options (exercised)	0.125% payable by the buyer

DIVIDEND DISTRIBUTION TAX (DDT)

Type of investor	DDT Rate
(a) Applicable on debt-oriented MF Schemes – except liquid funds	
Individual / HUF	12.5% DDT + 5% surcharge + 3% cess = 13.52%
All other investors	30% DDT + 5% surcharge + 3% cess = 32.445%

(b) Applicable on liquid funds

Individual / HUF 25% DDT + 5% surcharge + 3% cess = **27.04%**

All other investors 30% DDT + 5% surcharge + 3% cess = **32.445%**

CAPITAL GAINS TAX

Transaction		Tax rate
Long Term	- Equity / Equity oriented MFs	Nil
	- Debt / Debt based MFs	10% (w/o indexation) / 20% (with indexation) + surcharge, if applicable + 3% cess
Short Term	- Equity / Equity oriented MFs	15% + surcharge, if applicable + 3% cess
	- Debt / Debt based MFs	Applicable Slab Rates + surcharge, if applicable + 3% cess

NOTE: Applicable for FY 2011-12

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