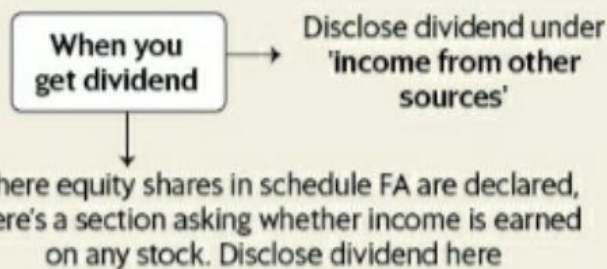


How foreign stocks are declared in IT returns

Double disclosures on dividend, stocks sold



Stocks, dividend and gains disclosures

In 2022, Ashwin* bought

X shares worth \$5,000	Current value is \$5,400	X paid dividends of \$150
Y shares worth \$3,000	Shares sold at \$3,100	
Z stocks worth \$2,000	Current value is \$2,500	



How Ashwin will declare his assets in schedule FA

Details of Foreign Equity and Debt Interest held (including any beneficial interest) in any entity at any time during the calendar year ending as on 31 December 2022.

Country name	Name of entity	Date of acquiring the interest	Initial value of the investment	Closing value	Total gross amount paid/credited with respect to the holding during the period	Total gross proceeds from sale or redemption of investment during the period
USA	X	15 Jan 2022	₹4,100,00	₹4,42,800	₹12,300	NIL
USA	Y	30 Feb 2022	₹2,46,000	Nil	NIL	₹2,54,200
USA	Z	15 Apr 2022	₹1,64,000	₹2,05,000	NIL	Nil

Declare dividend income of ₹12,300 (\$150) earned from share X

Ashwin should also report the ₹2.54 lakh sales proceed from share Y lying in his custodial account (proxy of demat account in US)

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Details of foreign custodial accounts held (including any beneficial interest) at any time during the calendar year ending as on 31 December 2022.

Country name	Account number	Account opening date	Peak balance during the period	Closing balance	Gross amount paid/credited to the account during the period (drop down to be provided specifying nature of amount viz. interest/dividend/proceeds from sale or redemption of financial assets/ other income)
USA	123456789	13 Jan 2022	₹8,20,000	₹2,66,500	₹2,66,500

both dividend and sales proceed to be declared (₹2,54,200+₹12,300)

*The example is hypothetical; TT Buying rate ₹82 as on 27 June used to convert from USD to INR

When tax is withheld on dividend in foreign country, don't forget to take tax credit in India by filling Form 67

	Amount (₹)
Dividend income (USA) (\$10,000@81.95 exchange rate#)	8,19,500
Other income (India)	41,80,500
Total income	50,00,000
Tax on total income	13,12,500
cess	52,500
Total tax	13,65,000
Less: Foreign tax credit	2,04,875
Total tax payable	11,60,125



Calculation of foreign tax credit (FTC)

Withholding tax rate	25%
Avg. tax rate on foreign income in India	27.30%
Lower of (a) or (b) is tax rate**	25%
Total foreign income	8,19,500
Foreign tax credit allowed	2,04,875

#Exchange rate as on last date of previous month in which dividend is received; **The credit is lower of the tax payable under the IT Act and the foreign tax paid on such income.