

**FOREIGN EXCHANGE CONSERVATION (TRAVEL) TAX
ABOLITION ACT, 1992**

28 of 1992

[18th August, 1992]

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The Government had been receiving representations from time to time for abolition of, or exemption from, the foreign Exchange Conservation (Travel) Tax in respect of Foreign exchange releases for travel abroad under various schemes like the Returning Indians Foreign Exchange Entitlement Scheme, etc., as it added to the cost of the acquisition of Foreign exchange significantly after devaluation of the rupee and the liberalised Exchange Rate management system, foreign exchange for travel abroad is now required to be purchased at the market rate and the levy of 15 per cent. on foreign exchange so obtained made the effective cost of the foreign exchange quite high. It is therefore, felt that since foreign exchange for foreign travel is being made available at market rate, there is no need for continuing the Foreign Exchange Conservation (Travel) Tax Government, therefore, decided to abolish the levy of 15 per cent on Foreign exchange released in connection with all type of travel abroad with effect from 1st June, 1992. As the Parliament was not in session, the President promulgated the Foreign Exchange Conservation (Travel) Tax Abolition Ordinance, 1992 on 29th May, 1992 for this purpose. (2) The Bill seeks to replace the said Ordinance -Gaz. of Ind., 3-8-92. Pt. II, S. 2 Ext., P-2 (No. .44)

1. Short title and commencement :-

(1) This Act may be called the Foreign Exchange Conservation (Travel) Tax Abolition. Act, 1992.

(2) It shall be deemed to have come into force on the 1st day of June, 1992.

2. Omission of Chapter V of Finance Act, 1987 :-

Chapter V of Finance Act, 1987 (hereinafter referred to as the principal Act), relating to the Foreign Exchange Conservation (Travel) Tax, shall be omitted.

3. Repeal and saving :-

(1) The Foreign Exchange Conservation (Travel) Tax Abolition Ordinance, 1992 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.