GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO. 252

ANSWERED ON 21.07.2026

PROPOSAL TO SCRAP LTCG TAX

252. SHRI JAVED ALI KHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government proposes to scrap Long Term Capital Gains (LTCG) Tax on indian equity/Mutual Funds for domestic and retail investors in view of the worst performance of Indian stock markets in the last two years in the world, marked by significant declines in indices, massive FII outflows, erosion of retail investor wealth and loss of global ranking of Indian stock market;

(b) if so, the details thereof and if not, the reasons therefor; and

(c) the details of other steps Government is taking to restore confidence among domestic/ retail investors who form the backbone of the Indian stock market?

ANSWER

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

(a) &(b) At present, 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 and legislative revisions after taking into considerations the macro-economic parameters.

(c) W.r.t Investor Awareness

i. SEBI is undertaking various initiatives, in collaboration with the Market Infrastructure Institutions (MIIs) viz. Stock Exchanges and Depositories, to strengthen investor confidence in the Indian securities market by enhancing investor awareness and education among existing and prospective investors. These initiatives are implemented through a combination of physical investor awareness programmes and digital outreach through platforms such as YouTube, Meta, X, LinkedIn, television and radio to ensure nationwide reach.

ii. The investor awareness programmes focus on equipping existing and prospective investors with knowledge about the securities market, the role of SEBI as the market regulator, available investment products and services, associated risks, responsible investing practices, investor rights and responsibilities, grievance redressal mechanisms, and precautions to safeguard themselves from securities market-related frauds and scams. These initiatives help investors make informed investment decisions and reinforce trust in the securities market.

iii. During FY 2025-26, SEBI, in coordination with MIIs, conducted 44,834 Investor Awareness Programmes covering 774 districts across 36 States and Union Territories, significantly expanding outreach and promoting informed participation in the securities market.

iv. In FY 2025-26, SEBI vs SCAM - a dedicated campaign by SEBI in collaboration with MIIs and Association of Mutual Funds in India (AMFI), on 'fraud and scam prevention in the securities market was launched by SEBI in July 2025. To bust the misguided information, this campaign covers various modus operandi of online investment scams such as promises of guaranteed returns or high returns on the basis of certain strategy in F&O segment or stock related tips often seen on social media platforms or messaging platforms, etc. The creatives on awareness about different modus-opernadi and how to avoid them, were developed by MIIs/AMFI and disseminated to the public through their social media platforms, as well as through TV, print, radio etc. to popularize the campaign. The same are also disseminated through SEBI X (formerly Twitter) handle.

v. Further, SEBI in collaboration with Ministry of Panchayati Raj (MoPR), launched a nationwide training initiative for block level and Gram Panchayat representatives to promote financial literacy and investor education at grassroots level, empowering representatives with essential knowledge on basic concepts of financial literacy and personal finance including digital hygiene and protection from cyber & social media fraud/scam, ponzi scams, awareness about securities market ecosystem and available investment products etc., to educate rural communities across India.

vi. In addition to above, SEBI has set up grievance redressal mechanism i.e. SEBI Complaint Redressal System (SCORES) which is an online platform, launched in 2011, designed to facilitate complainants to lodge their complaints, pertaining to securities market, online with SEBI against listed companies/ registered intermediaries and SEBI registered intermediaries. With an objective to promote speedy and efficient redressal of investor complaints; SCORES had undergone qualitative improvement and the revamped version was launched on April 01, 2024 as SCORES 2.0 (website and mobile app).

vii. The new version of SCORES strengthens the investor complaint redressal mechanism in the securities market by making the redressal process more efficient by reducing timelines and by introducing auto-routing and auto-escalation of complaint and monitoring by the Designated Bodies. It also provides for two levels of review that an investor can opt for if not satisfied, in addition to the option for referral to the Online Dispute Resolution mechanism.

1. Tackling Impersonation:

   To further fortify the securities market against the risks of impersonation and fraud, SEBI introduced a standardized and validated UPI framework. This initiative aims to protect investors from unregistered entities that often mislead the public by collecting funds without authorization.

Effective from October 1, 2025, SEBI has implemented this framework, and has directed all the investor facing intermediaries to accept the UPI payments from individual investors only through @valid UPI handle.

2. Other Investor friendly measures:

Circular on creation/Invocation of pledge of securities through depository system dated February 05, 2026

- SEBI strengthens the framework for pledge of securities through depositories by ensuring compliance with the provisions of Sections 176 and 177 of the Indian Contract Act, 1872 which enhances legal safeguards and increases transparency for investors through Circular dated February 05, 2026.

Circular on norms for sharing and usage of price data for educational purposes dated May 08, 2026

- SEBI circular dated May 08, 2026 provides for sharing of market price data for educational purpose. The 30-days data log coupled with strict governance and audit trails is expected to promote investor education and strengthen integrity and fairness of the securities market

Circular on norms for Base Price, Price Bands, Call Auction in pre-open session and Close-out procedure for Exchange Traded Funds (ETFs) dated June 15, 2026

- SEBI circular dated June 15, 2026 is issued to ensure ETF prices remain closely aligned with underlying asset value thereby improving investor protection.

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