

## CAGS FAQ



## FAQs

### 1. What types of accounts can be opened under the Capital Gains Account Scheme?

Savings Account (Type A) is mandatory. Capital gains may be parked in a Savings Account (Type A) and/or a Term Deposit Account (Type B).

### 2. Who are all eligible to make a CGAS deposit?

Individuals who have sold or transferred:

- i. House Property
- ii. Urban Agricultural Land
- iii. Plot of Land
- iv. Other Long-Term Capital Assets
- v. Assets transferred on shifting of an industrial undertaking from an urban area to a Special Economic Zone

### 3. Can a Current Account be opened under CGAS?

No. Only Savings Account (Type A) and Term Deposit Account (Type B) are permitted.

### 4. Which is the deliverable / services not available under CGAS?

Cheque Book  
Debit Card

### 5. Is premature closure of Fixed Deposit allowed?

Yes, subject to the provisions of the CGAS and the Bank's FD premature closure policy. Applicable penalties will be as per the Bank's FD framework.

### 6. Is Form A required for every deposit?

No. Form A is required only for the initial deposit.

### 7. Can a CGAS account be transferred between banks?

No. CGAS accounts cannot be transferred between banks.

### 8. What is the maximum tenure under CGAS?

2 years for Purchase

3 years for Construction

The purpose must be declared at the time of account opening and cannot be changed subsequently.

### **9. What happens if the CGAS funds are not utilised within the stipulated period?**

Any unutilised amount after the expiry of the stipulated period shall be deemed as long-term capital gains in the year of expiry and will be liable to capital gains tax.

### **10. What are the conditions for withdrawal from CGAS?**

The Term Deposit must first be credited to the Type A Savings Account. Form C must be submitted for initial withdrawal, and Form C and Form D must be submitted for subsequent withdrawals from the Savings Account.

Cash withdrawals from a Type A Account are limited to a maximum of ₹25,000 per transaction. For withdrawals exceeding this amount, payment will be made via a crossed Demand Draft in favor of the entity to whom the payment is intended.

### **12. Does account closure require approval from the Assessing Officer?**

Yes. For closure, Form G along with supporting documents must be submitted to the Assessing Officer. Upon verification and payment of applicable tax, approval will be granted.

### **13. Can Rural Branches accept deposits under CGAS Scheme?**

No, Rural Branches are not permitted to accept deposits under the CGAS scheme.

### **14. Is Auto Renewal of Type B deposit option is available?**

No. Auto Renewal of deposit is not available. Auto Closure is the default option enabled for Type B deposit.

