

# Swatantra Kumar Explains: HOW CAN YOU GIFT INVESTMENTS?

Giftng often needs some great planning. Know these points before you gift an investment.

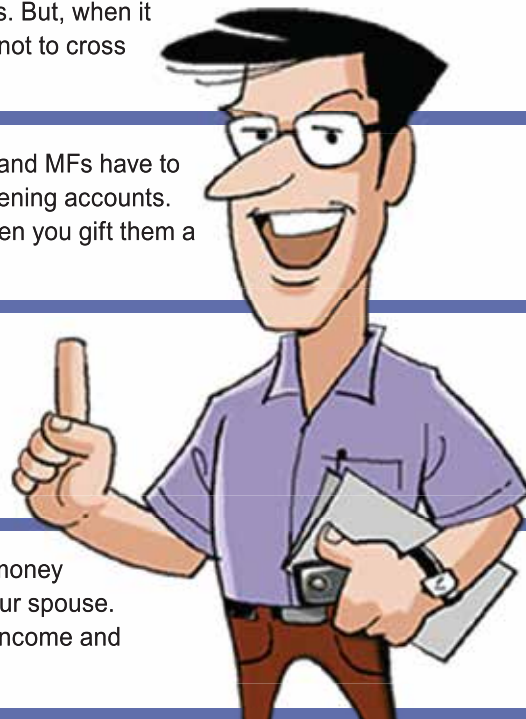
**Think about the Demat account:** Equity needs a Demat account. You will need your friend or loved one's Demat details while gifting. This is not applicable for MFs.

**Near and dear ones:** It's easier to gift your relatives. But, when it comes to gifting friends, you will have to keep in mind not to cross the ₹ 50,000 limit. Otherwise, it will be taxable.

**Don't forget KYC:** Financial companies like Banks and MFs have to conduct a 'Know Your Customer' procedure before opening accounts. Your friend or relative will have to get this done too when you gift them a MF or Fixed Deposit.

**Tax Implications:** Taxation rules differ across investment products. Moreover, they also differ for the Gift giver and taker. Most importantly, there's a broad limit of ₹ 50,000 on gifts. Anything over is considered as additional income.

**Parents v/s Spouse:** It is more Tax-friendly to gift money or investments to your parents or even in-laws than your spouse. The income would then be clubbed with your parents income and not yours, thereby reducing your Tax liability.



## DID YOU KNOW?

You can save Tax by investing the money you received as a gift in Tax-saving instruments like ELSS Mutual Funds.

### THEY SAID IT:

#### *What they said :*

“One of the greatest gifts you can give your kids is to prepare them to be responsible, empowered adults around money.”

– Unknown

### WHAT IT MEANS:

Giving your kids money is not enough - it lasts only for a short time. Teaching them how to be wise and responsible with their money is a bigger gift that can come in handy throughout their life.