



**19<sup>th</sup>** International  
**Tax Conference**

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**Hotel Shangri-La, New Delhi**

**The Associated Chambers of Commerce and Industry of India**

# INTRODUCTION

**T**rend of in country tax systems becoming more nationalistic, in contrast to encouraging global trade, was already apparent. The recent crisis has deepened the economic polarisation resulting in several midcourse changes in cross-border tax policies across countries unexpectedly. Given the uncertainty greater attention on innovative tax policies to cater to economic requirements of the countries is likely. Businesses need to gear up to understand the new tax world and factor it in their plans to create reasonable safety net to mitigate impact of uncertainties.

Therefore, to evolve greater understanding of the emerging tax landscape, its impact and possible approaches to deal with it with the industry members, ASSOCHAM is organizing its 19<sup>th</sup> International Tax Conference.

## TOPICS TO BE DISCUSSED

### ■ Section 194R

Chargeability of tax on 'benefits and perquisites' received by the persons (carrying on business or profession) has been on statute books since quite some time. However, practically, it was very difficult to track whether the recipient of such benefit or perquisite has offered such benefit to tax or not. Hence, a new withholding tax provision, Section 194R, has been introduced in the Statute so that granting of such benefits and perquisites can be tracked. The section does not define the word 'benefits'. CBDT has come out with a circular providing certain clarifications. However, there are some questions which still requires clarity and remains unanswered. Some of these questions will be deliberated by industry experts along with possible resolution.

### ■ Key Emerging International Tax Issues

- Various aspects of interpretation involved in dispute surrounding the applicability of Most Favoured Nation (MFN) clause in light of CBDT Circular No 3/2022 and its impact on popular income streams such as dividends, interest, FTS etc.
- Requirement to obtain PAN by non-residents considering conflicting provisions contained in Section 206AA(7) and 139A(5) of IT Act (and also recently introduced online Form 10F, which is an indirect trigger to obtain PAN by non-residents, unless process is suitably modified for non-residents).
- Challenges around disclosure of "Impermissible Avoidance Arrangement" in Clause 30C of tax audit report, abeyance of which has got over (CBDT's Sec 119 order dated March 25, 2021 provided abeyance till March 31, 2022 for such disclosures in tax audit report).
- Taxation of fiscally transparent entity and eligibility of such entities to claim benefit under tax treaties (challenges from an Indian payer's perspective - withholding tax angle).
- Concept of "beneficial ownership" and its bearing on tax incidence under the treaty regime.
- Thin capitalisation rules contained in Section 94B of IT Act and its interplay with transfer pricing norms.

### ■ Cross Border Trade & Tax Implications: Three Key FTA's – EU, UK, US

India has signed 13 Free Trade Agreements (FTAs) and 6 limited coverage Preferential Trade Agreements. The FTAs have led to growth in both exports and imports with FTA partners. In January 2022, India launched the negotiation for FTA with UK and is expected to conclude by end of August 2022. In June 2022, India-EU relaunched negotiation on FTA. While India-US are in talks to boost its ties, with an FTA in place, India would be able to get latest technology which could improve its economic growth.

As we know, cross border trade co-exists with the tax framework and it is imperative to take into consideration this aspect while evaluating FTA provisions. In this session, the experts from Industry and Consulting firms will provide their valuable insights regarding key aspects of the FTAs and tax implications airing therefrom.

### ■ Gift City – India's First International Financial Services Centre

In the year 2015, the government operationalized the Gujarat International Finance Tec-City ('GIFT City') as India's first International Financial Services Centre (IFSC).

GIFT city aspires to become India's gateway for inbound and outbound requirements of the international financial services.

Over the past few years, several measures have been taken to incentivize overseas financial institutions and overseas subsidiaries of Indian financial institutions to carry out their financial services transactions in India.

Various tax incentives have been provided to units located within the IFSC to further incentivize offshore investment. Several fund managers are exploring GIFT City to establish alternative investment funds.

We will understand the Gift City in more detail during the session.

### ■ Global Emerging Trends: Impact of Environmental taxes on Indian Business – Tax Transparency to Tax Morality - Mandatory disclosure requirements

As the international corporate taxation rulebook is being re-written, companies' tax practices are coming under increased scrutiny from governments, investors, and other stakeholders. It is also time for companies to take a stock of and gear-up with requisite capability and information systems for tax reporting and disclosures emanating inter alia from environment, social and governance (ESG) mandates. With corporate taxation and tax transparency currently high on the policy agenda, investors too are increasingly focused on the financial, regulatory, and reputational risks associated with poor tax practices. The UN's Principles for Responsible Investment (PRI) (2015) provide guidance on what investors need to know with respect to encouraging responsible tax behaviour. In the India context, the introduction of the Business Responsibility and Sustainability Reporting (BRSR) by listed companies has been a key initiative to bring forth ESG consciousness amongst businesses.

## ■ Hybrid Working & The Associated Tax Issues

Ongoing pandemic has led to certain fundamental changes in the way we all work. Hybrid working is not only a good to have policy but a necessity as well. Today's educated youth expects companies to have flexible working policies to maintain a healthy balance between work and personal commitments. Though companies are adapting to this new norm, it also leads to certain tax issues both on the personal tax and corporate tax front that need to be addressed. These include – determination of residential status in multiple jurisdictions and individual tax, permanent establishment exposure and corporate tax, challenges in compliance with SEZ rules etc. Some of these issues will be deliberated by industry experts along with possible resolution.

## EMINENT SPEAKERS FROM GOVERNMENT INCLUDE

- **Mr. Vivek Aggarwal,\* Additional Secretary, Department of Revenue, Ministry of Finance**
- **Mr. Rajat Bansal, Principal Chief Commissioner of Income Tax, Delhi**
- **Mr. Kamlesh C Varshney, Joint Secretary (TPL-I), Central Board of Direct Taxes (CBDT), Ministry of Finance**
- **Mr. Dipesh Shah, Executive Director (Development), International Financial Services Centres Authority (IFSCA), Government of India**
- **Mr. Sandip Shah, Head - IFSC Department, Gift City**

## OTHER EMINENT SPEAKERS INCLUDE

- **Mr. Milind Kothari**, Chairman, National Council on International Taxes, ASSOCHAM & Managing Partner, **BDO India**
- **Mr. Rakesh Nangia**, Co-chairman, National Council on International Taxes, ASSOCHAM & Chairman, **Nangia Andersen India Pvt. Ltd.**
- **Mr. Rahul Garg**, Chairman, National Council on Direct Taxes, ASSOCHAM & Partner, **Price Waterhouse & Co LLP**
- **Mr. Vikas Vasal**, Co-chairman, National Council on Direct Taxes, ASSOCHAM & Global Leader – Tax at **Grant Thornton International Ltd.**
- **Mr. Hemal Zobia**, Co-chairman, National Council on Direct Taxes, ASSOCHAM & Partner, **Deloitte Touche Tohmatsu India LLP**
- **Mr. Vineet Agrawal**, Co-chairman, National Council on Direct Taxes, ASSOCHAM & Sr. Executive Vice President and Group Head (Taxation), **JSW Group**
- **Mr. S Ramesh**, Former Chairman, **CBIC**
- **Mr. Vivek Narayan Sharma**, Senior Counsel, **Union of India & Government of UP**
- **Mr. A Balasubramanian**, Managing Director and Chief Executive Officer, **Aditya Birla Sun Life AMC Limited**
- **Mr. Ajay Agarwal**, Group Head- Tax, **Vedanta Group**
- **Mr. Dinesh Mittal**, Vice President Taxation-Group, **Varun Beverages Limited**
- **Mr. Ashok Prabhu**, Head-Taxation, **HCL Infosystems Ltd.**
- **Ms. Divya Gupta**, Vice President – International Tax and Coltrane Services, **InterGlobe Enterprises**
- **Mr. Vaibhav Mangal**, Associate Director – Taxation, **Perfetti Van Melle India Pvt. Ltd.**
- **Mr. Udayan Choksi**, Partner, **Khaitan & Co.**
- **Mr. Atul Puri**, Managing Partner & Co Founder, **SW India**
- **Ms. Hasneeta Matta**, Partner & Head, Tax & Regulatory Services, **Bhatia & Bhatia**
- **Mr. Suresh Swamy**, Partner, **Price Waterhouse & Co. LLP**
- **Mr. Akhil Chandna**, Partner, **Grant Thornton Bharat**
- **Ms. Smita Roy**, Partner & Leader (North), Indirect Taxes, **BDO India**
- **Mr. Sachin Garg**, Partner- Corporate & International Tax, **Nangia Andersen India Pvt. Ltd.**
- **Several other experts from Industry**

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