



LATEST NEWS AND HIGHLIGHTS



US-India Tax Forum submitted its Pre-Budget Memorandum(s) to the Tax Planning Legislation Unit (for Direct Taxes) and Tax Research Unit (for Indirect Taxes - Customs) of the Ministry of Finance based on inputs received from more than 30 member companies across various sectors.

Our recommendations cover duty rate changes, ease of compliance, ease of doing business, suggestions to reduce tax litigation, leveraging technology for tax administration etc., amongst other procedural and legislative changes.

Forum makes detailed submission on Transfer Pricing, covering various suggestions on improving compliances, audits, Advance Pricing Arrangements, and dispute resolution mechanisms

Forum makes submission to office of Directorate of International Customs summarising on-ground challenges emanating from CAROTAR provisions

Forum makes submission to GST Policy Wing with recommendations for effective resolution to the

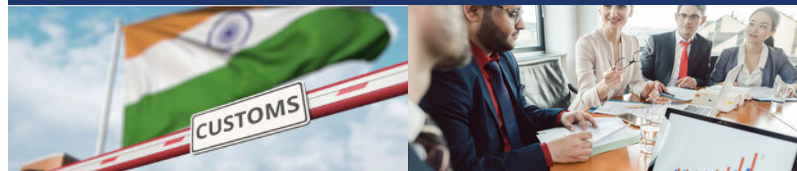
request for state-wise data by GST authorities at the time of GST audits

US-INDIA TAX FORUM'S ADVOCACY EFFORTS



GST

- Advocacy on legislative and procedural issues
- Advocacy with Goods and Services Tax Network (GSTN) around technical issues
- Engagement with Group of Ministers on GST Rate Rationalisation
- Practical challenges faced during GST audits requiring state wise/ GSTIN wise financial statements
- Clarification on reimbursement of ESOP provided by parent company being classified as import of service



CUSTOMS AND EXCISE

- Advocacy efforts for release of outstanding SEIS refunds
- Amendment in custom duty benefits for Oil & Gas sector
- Issues and challenges under CAROTAR rules and Faceless Assessments
- Determination of RoDTEP rates for exports from designated areas
- Duty rationalisation requests
- Challenges in implementation of Advanced Analytics in Indirect Taxation (ADVAIT) Module under Customs

CORPORATE TAX

- Recommendations for policy and procedural changes in Indian Transfer Pricing regime
- Challenges emerging from implementation of TDS under Section 194-O of the Income Tax Act

OTHER ADVOCACY EFFORTS

Recommendations/ comments on tax proposals under draft Development of Enterprise and Service Hubs (DESH) Bill, 2022



UPCOMING EVENTS

- Pre-Budget roundtables with Tax Research Unit, CBIC and Tax Planning and Legislation Unit, CBDT
- Consultation with Ministry of Finance on Transfer Pricing policy recommendations

- Consultation with committee on RoDTEP



- Consultation with Ministry of Finance on Customs laws and policies
- Virtual Briefing on additional guidelines issued by CBDT on TDS under Section 194R of Income Tax Act
- Consultation with officials at GST Policy Wing to discuss industry concerns

RECENT TAX RULINGS



In association with

On the international tax front, Mumbai ITAT denies taxability of business profits embedded in reinsurance premium due to absence of a Fixed Place PE of a [US-based Insurance Group's Irish subsidiary](#) and holds [Barclays Capital's](#) income from Indian Depository Receipts as exempt under India-Mauritius DTAA. Also rejects adjustment of brought forward losses against capital gains exempt under India-Mauritius DTAA in [Swiss Finance Corp.'s case](#) and holds Swiss Bank deposits of a [Dutch-resident](#) to be non-taxable in India. [Bangalore ITAT](#) holds ESOP cross charges paid to US-parent as not taxable in India. [Delhi ITAT](#) holds Herbert Smith Freehills eligible for treaty benefits even prior to amended Protocol under India-UK DTAA.

On the Transfer Pricing front, [Delhi ITAT](#) deleted TP adjustment on account of Advertising, Marketing and Promotion (AMP) expenses in case of PepsiCo India Holdings P. Ltd, basis the fact that PepsiCo Inc only acted as a title holder of the trademark and neither benefited from nor contributed to any marketing activity undertaken by the Indian company. *In another case*, [Mumbai ITAT](#) rooted for opting a tested party who performed least complex functions by following OECD guidelines, UN TP guidelines and Indian jurisprudence and upheld the selection of foreign AE as tested party. In the case of Parexel International Clinical Research Pvt. Ltd., [Bangalore ITAT](#) held that recovery of pass-through costs was a separate international transaction.

OTHER TAX NEWS



CUSTOMS AND EXCISE

- CBIC issues Instructions on Pre-deposit payment method for legacy cases pertaining to Central Excise and Service Tax



Corporate & International Tax

- CBDT issues draft format for common Tax Return Form
- ICAI releases revised Guidelines on Audit Report under Section 92E of the Income Tax Act
- OECD Forum on Tax Administration releases detailed manual on bilateral advanced pricing agreements
- UN Tax Sub-Committee proposes 'Subject to Tax Rule in Model Tax Convention

*To contribute to our ongoing discussions on these matters,
please write to [@Shweta Kathuria](#) and [@Anikha Ashraf](#)*

US-India Strategic Partnership Forum www.usispf.org
US-India Tax Forum www.usindiataxforum.org

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