

MEMO# 32075

December 5, 2019

Public Consultation: Indian Based Fund Manager Regime

[32075]

December 5, 2019 TO: ICI Members
ICI Global Members
ICI Global Tax Committee
Management Company Tax Subcommittee
Tax Committee SUBJECTS: International/Global
Tax RE: Public Consultation: Indian Based Fund Manager Regime

On December 5, 2019, the Indian Central Board of Direct Taxes issued a draft notification in relation to section 9A of the Income-tax Act, 1961, which includes the India-based fund manager regime (IBFM), soliciting inputs from stakeholders and the general public. The IBFM provides for a special taxation regime for offshore funds that are managed by advisers located in India.

Specifically, section 9A provides certain conditions that must be satisfied to avoid treating an offshore funds as having a permanent establishment in India, and thereby subject to tax in India on all its income. The draft notification prescribes a formula for the determination of appropriate remuneration for the India-based fund manager and introduces an additional reporting requirement (in the form of a certificate from an accountant).

We will discuss this development on next tax committee call on Tuesday, December 10 at 11 am (ET). Comments are due by close of business on December 19, 2019 in India.

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[Attachment](#)

should not be considered a substitute for, legal advice.