

MEMO# 28886

April 8, 2015

Conference Call on Thursday, April 9 to Discuss India MAT Issue

[28886]

April 8, 2015

TO: TAX COMMITTEE No. 13-15

INTERNATIONAL COMMITTEE No. 15-15

ICI GLOBAL TAX COMMITTEE No. 10-15 RE: CONFERENCE CALL ON THURSDAY, APRIL 9 TO DISCUSS INDIA MAT ISSUE

Indian tax officials, as we informed you, [\[1\]](#) have begun issuing notices asserting that India's 18.5% minimum alternative tax (MAT) applies to the income and gains of Foreign Institutional Investors (FIIs) such as funds. Several additional notices have been issued within the past few weeks. These notices assert substantial tax on amounts, such as long-term capital gains, that investors have understood to be exempt or taxed at significantly lower rates.

ICI Global earlier this year responded to these notices by urging the Indian Central Board of Direct Taxes (CBDT) and Ministry of Finance (MoF), in writing and through meetings with our counsel, to clarify promptly that the MAT does not apply to FIIs. While the Union Budget addresses this issue at least in part on a going-forward basis, substantial uncertainty remains for prior periods.

Consequently, a conference call with our counsel, Russell Gaitonde from BMR & Associates LLP, will be held on THURSDAY APRIL 9 at 11:00 (Eastern) to discuss recent developments and industry responses. To participate in the call, please dial 1-800-857-2255 (in the U.S.) or 1-630-395-0033 (outside the U.S.) and enter the passcode 43930.

Attached, for your information, is an explanation of the CBDT's position that was provided recently to an FII.

Keith Lawson
Deputy General Counsel - Tax Law

[Attachment](#)

endnotes

[1] See Institute Memo # [28692](#), dated January 29, 2015.

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