

MEMO# 35974

January 6, 2025

For Member Review: Request to Modify Income-Tax Returns for Flexibility on Capital Loss Offsets

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TO: Global Tax Committee

Tax Committee RE: For Member Review: Request to Modify Income-Tax Returns for Flexibility on Capital Loss Offsets

As a follow up to ICI's meeting with Indian Government officials on outstanding tax issues, please review the attached draft letter concerning capital loss offsets. The draft letter requests a modification of the Indian income-tax return (ITR) forms to enable taxpayers, including US regulated funds as foreign portfolio investors (FPIs), with the flexibility to offset capital gains and losses as permitted under the Indian tax law. Specifically, the ITR forms need to be modified to permit set offs of brought forward capital losses against current year capital gains either based on their characterization (long-term versus short-term) or chronology (oldest brought forward capital losses to be utilized before newer brought forward capital losses), depending on the taxpayer's preference.

Please review the draft letter and annexures and provide comments by close of business Thursday, January 9, 2025.

Katie Sunderland
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