

MEMO# 36000

January 28, 2025

India: ICI Request to Modify Income-Tax Returns for Flexibility on Capital Loss Offsets

[36000]January 28, 2025TO:ICI Members

ICI Global Members

Asia Regulatory and Policy Committee

Global Tax Committee

Tax CommitteeSUBJECTS:International/Global

TaxRE:India: ICI 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, ICI made the attached submission concerning capital loss offsets. The letter requests a modification of the Indian income-tax return (ITR) forms to enable taxpayers, including US regulated funds as foreign portfolio investors, 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.

Katie Sunderland

Associate General Counsel