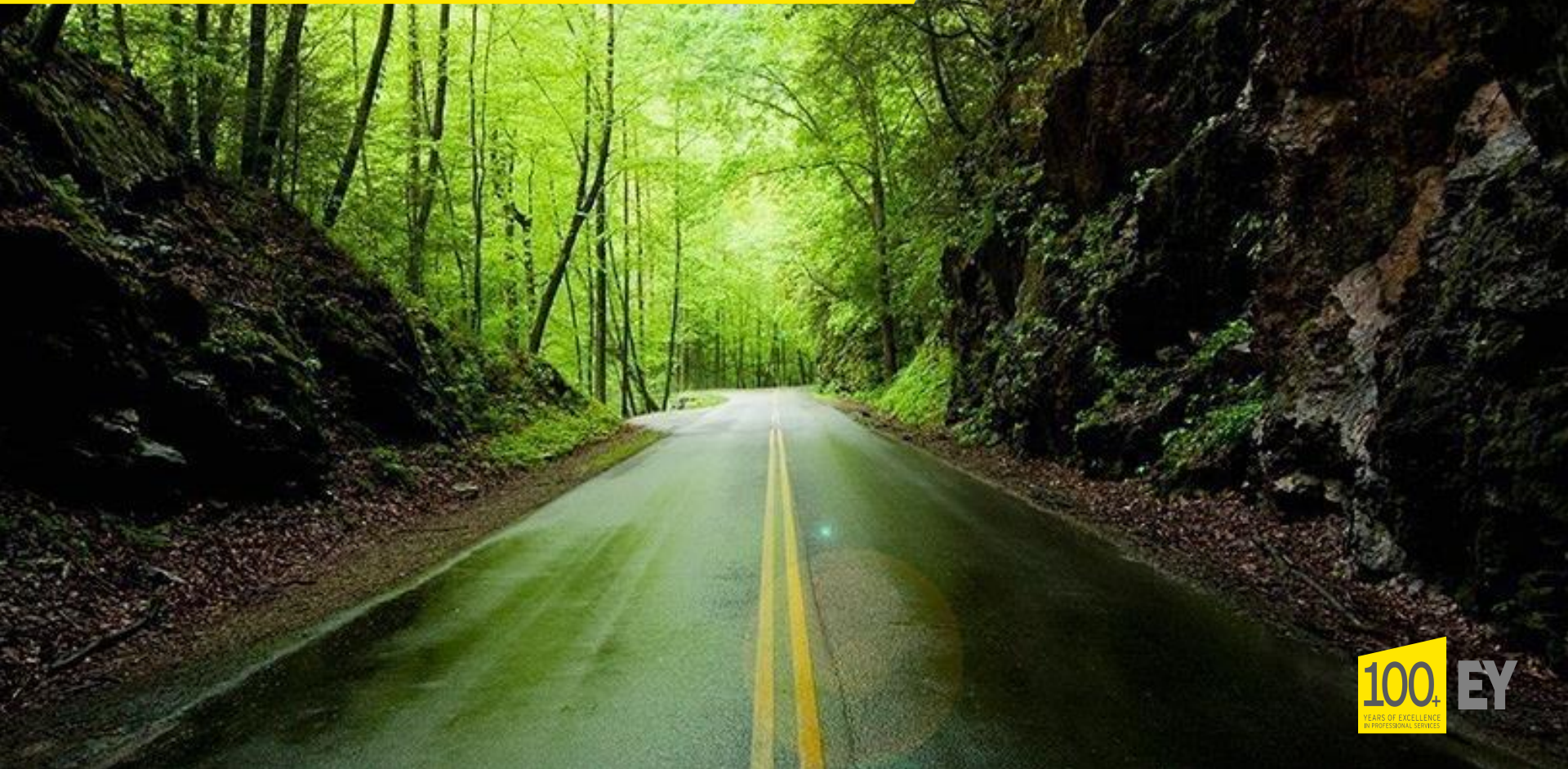




Unravelling the new India

Doing business in India

20 March 2017





“India is not only among the world’s fastest growing major economies, underpinned by a stable macro-economy with declining inflation and improving fiscal and external balances. It was also one of the few economies enacting major structural reforms.”

Economic Survey of India, 2016-17

- ▶ Indian economy is projected to grow at **6.75% - 7.5%** in FY 18
- ▶ Net Foreign investment during January – September 2016 is at US\$32.2 billion
- ▶ Estimated increase in Foreign Direct Investment (FDI) by 36%, despite a 5% reduction in global FDI inflows
- ▶ According to the World Economic Forum’s Competitiveness Report – **“Indian economy has stabilized and now boasts the highest growth among G20 countries”**
- ▶ The new Goods and Services tax (GST) law will create a common Indian market, improve tax compliance and governance, and boost investment and growth - it is also a bold new experiment in the governance of India’s cooperative federalism

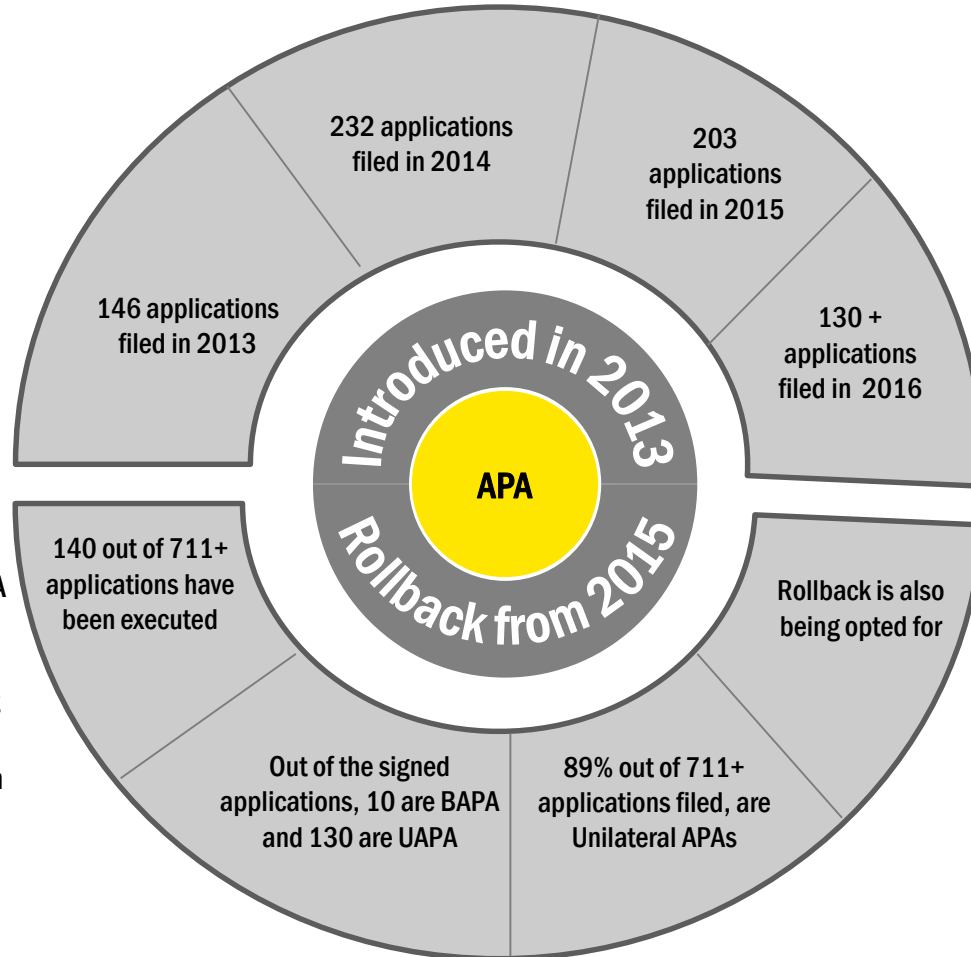
In view of the wave of developments in India (making it a preferable destination for trade and commerce), the Trade Council of Denmark in India and EY wish to collaborate and present key regulatory and tax considerations for “doing business in India” – as part of an exclusive “knowledge sharing” seminar

* Note: The above information on the Indian economy and its performance has been derived from the Economic Survey of India, statistics released by the Indian Government and press articles/documents available on the public domain



Indian Advance Pricing Agreement (APA) Program - current update

Signed agreements include complex transactions such as corporate guarantee, loans, investment advisory services, trading intermediaries, contract manufacturing and brand royalty and management fees



APA applicants include Danish MNCs who have operations in India, as well

Presently, Indian tax authorities admit bilateral APA only with countries that have article 9(2) in the Tax Treaty. Discussions ongoing to admit bilateral APAs with countries that do not have article 9(2) in the Tax Treaty

Signed agreements cover taxpayers from diverse industries such as Telecom, Pharma, Financial Services, Professional Services, Support Services, Commercial Equipment and IT/ ITeS

Note: Based on information derived from research/ press articles available on the public domain

Goods and Service Tax – a metamorphic tax reform

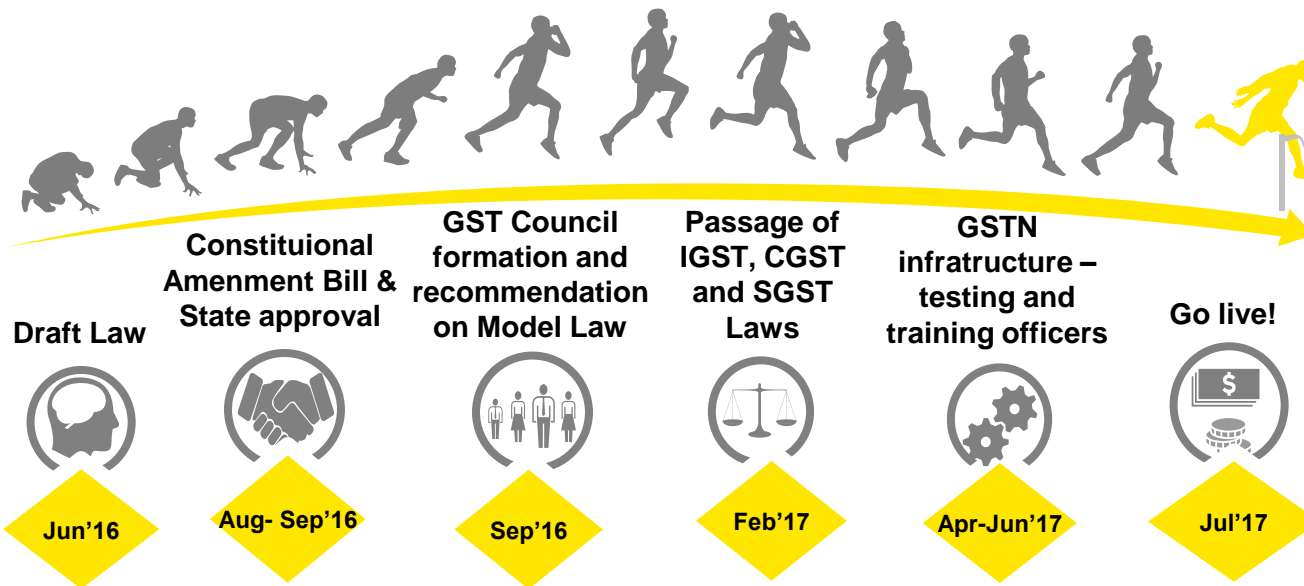


Salient features of GST:

- ▶ GST applicable on supply of all goods & services except alcohol (petroleum to be included at a later date)
- ▶ GST rate framework comprises a 4-tier structure – 5%, 12%, 18% and 28%
- ▶ Dual GST – Central GST (CGST) plus State GST (SGST)
- ▶ Integrated GST (IGST) – on inter-state supplies (including stock transfers and imports)
- ▶ Goods and Services comprehensively defined
- ▶ Shift of taxing principle – Origin to Destination based
- ▶ Automation of compliance through GST Network (GSTN)

Impact areas for business

- ▶ Supply Chain
- ▶ Operating Model
- ▶ Availability of credit of GST (incl. transitional credits)
- ▶ Pricing and Working Capital

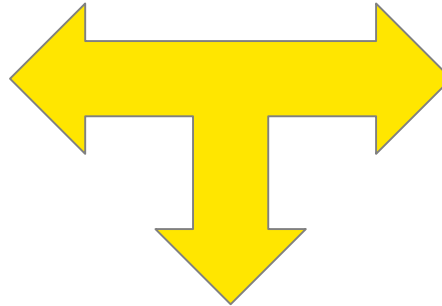


Winds of change in Tax and Regulatory Policy



Foreign investment policy (FDI) liberalisation

- ▶ Emphasis on measures to simplify FDI policy and procedures - Foreign Investment Promotion Board to be abolished
- ▶ New instruments such as 'Rupee Denominated Bonds' introduced, concessional withholding clarified, etc



Re-negotiations of Tax Treaties

- ▶ India-Mauritius – impact on capital gains taxation on share transfer, interest income
- ▶ India-Singapore Treaty renegotiated on similar lines
- ▶ India-Cyprus – amendment in Treaty rescinding Cyprus's status as Notified Jurisdictional Area

Base Erosion and Profit Shifting (BEPS) – India impact

- ▶ BEPS actions brought to life through budget amendments – thin cap rules introduced, etc
- ▶ Digital Equalization levy on online advertisement and related payments earned by Non-Resident from India applicable from June 2016
- ▶ Special tax rate on Patent income introduced last year

Transfer Pricing

- ▶ Country by Country Reporting introduced
- ▶ Concept of 'Secondary adjustment' introduced
- ▶ Scope of applicability of Domestic Transfer Pricing regulations made limited

Other developments

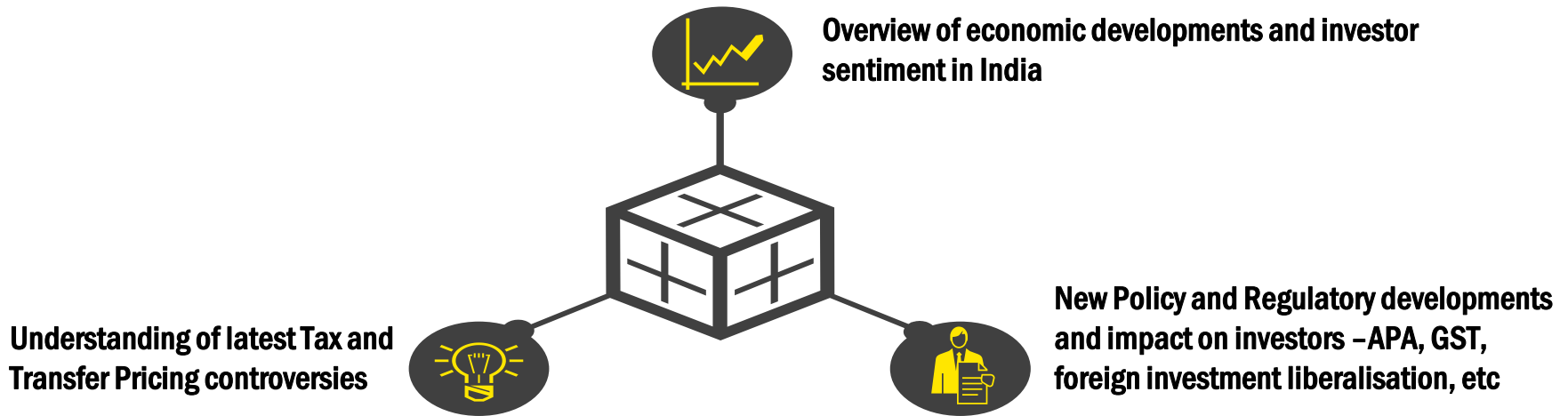
- ▶ Existing I-GAAP expected to be replaced by new accounting standards, Indian Accounting Standards (IND-AS)
- ▶ Tax accounting standards and Place of Effective Management provisions – effective from 1 April 2016
- ▶ General Anti Abuse Rules - effective from 1 April 2017



What does the knowledge sharing seminar have to offer, – both for existing and prospective investors in India...



How would you benefit from this knowledge sharing seminar



Who should attend this seminar?*

- ▶ Executive Management and Decision Makers
- ▶ Finance Directors, CFOs
- ▶ Head of Emerging Markets /India

**By invitation only*

Details of the Seminar



Date: 20 March 2017

Venue: Asia House, Indiakaj, Copenhagen

Time	Content	Speaker
9:00 - 9:10	Welcoming Remarks	Ms. Susanne Rumohr Hækkerup, Executive Director, Asia House
9:10 - 9:25	Setting the context : Indian Economy and India-Denmark trade relations	H.E. Peter Taksøe Jensen, Danish Ambassador to India
9:25 - 10:25	Indian transfer pricing	Mr. Ashish Kumar, I.R.S Commissioner of Income Tax, Advance Pricing Agreement-1
10:25 - 10:30		Break
10:30 - 11:30	Recent regulatory reforms and ease of doing business in India	Mr. Atul Chaturvedi (Additional Secretary, Department of Industrial Policy and Promotion)
11:30 - 12:15	Recent India tax and transfer pricing updates	Senior EY Partners, India
12:20 - 13:00	Panel discussion : Navigating the maze of doing business in India – do the recent marquee changes in Tax & Regulatory Policy herald a promising future for multinationals investing in India?	Mr. Clive Baxter, Head of Tax Governance and Policy, Maersk Thomas Keller, Senior Vice President, Group Risk & Compliance Vestas Wind Systems A/S Mr. Peter Rønne Andersen, CFO, Haldor Topsøe* Lene Ploug Bülow, Reginal Vice President, Widex Moderated by Rajendra Nayak and Justin Breau, Partner, EY
13:00 - 13:15	Wrap up and Concluding Remarks	Senior EY Partner, India & Pragya Misra
13:15 - 14:15		Lunch and networking opportunities
14:15 - 17:30	One-on-one discussions/ Private Meetings	Trade Council and Senior EY Partner, India/ Denmark

* The DIPP is part of the Ministry of Commerce, is responsible for the formulation of the FDI policy and facilitation of FDI inflows into India.



We look forward to your participation