

Rödl & Partner

GLOBALLY ACTIVE



MISSP

ONE YEAR OF MOMENTUM IN INDIA:
SWISS SMES PROGRAMME 2.0

16th OCTOBER 2020



AGENDA

- 1 MAJOR REFORMS IN LEGAL SECTOR IN INDIA
- 2 MAJOR TAX REFORMS IN INDIA
- 3 QUESTIONS?



OUR TEAM TODAY



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For our latest India tax and regulatory updates : please visit our website or click on the link provided below :

<https://www.roedl.com/about-us/locations/india/>

1. LEGAL REFORMS

FACILITATING EASE OF BUSINESS: ATMA NIRBHAR BHARAT

1. Furthering FDI in diverse sectors



2. Over 1500 redundant laws repealed promoting ease of doing business



3. Ensuring ease of compliance in real estate sector



4. Data Protection – Draft Personal Data Protection Bill, 2019 (PDPB) modelled after General Data Protection Regulations of the EU (GDPR)



1. LEGAL REFORMS

SETTING UP

- ✓ Centralised and digital process
- ✓ Fast company formation
- ✓ Required tax registrations are done now parallel with the incorporation process
- ✓ Opening a bank account : simplified process

CORPORATE GOVERNANCE

- ✓ Corporate Governance and Transparency - Paradigm shift
- ✓ Digital Processes and Linking (DIR 3 KYC, SBO, MSE Reporting, INC 22, FLA Returns)
- ✓ External Commercial Borrowings list of eligible **lenders** expanded Also the list of eligible **BORROWERS** widened (sales and services companies) and End use restrictions liberalized (buying land)

LAW ENFORCEMENT

- ✓ Choice of law and place of jurisdiction
- ✓ Arbitration and Conciliation Act, modern arbitration law and institutions available
- ✓ Contract drafting under Common Law
- ✓ Reasoned decisions and transparency- public data base of all precedents

INSOLVENCY & BANKRUPTCY LAW

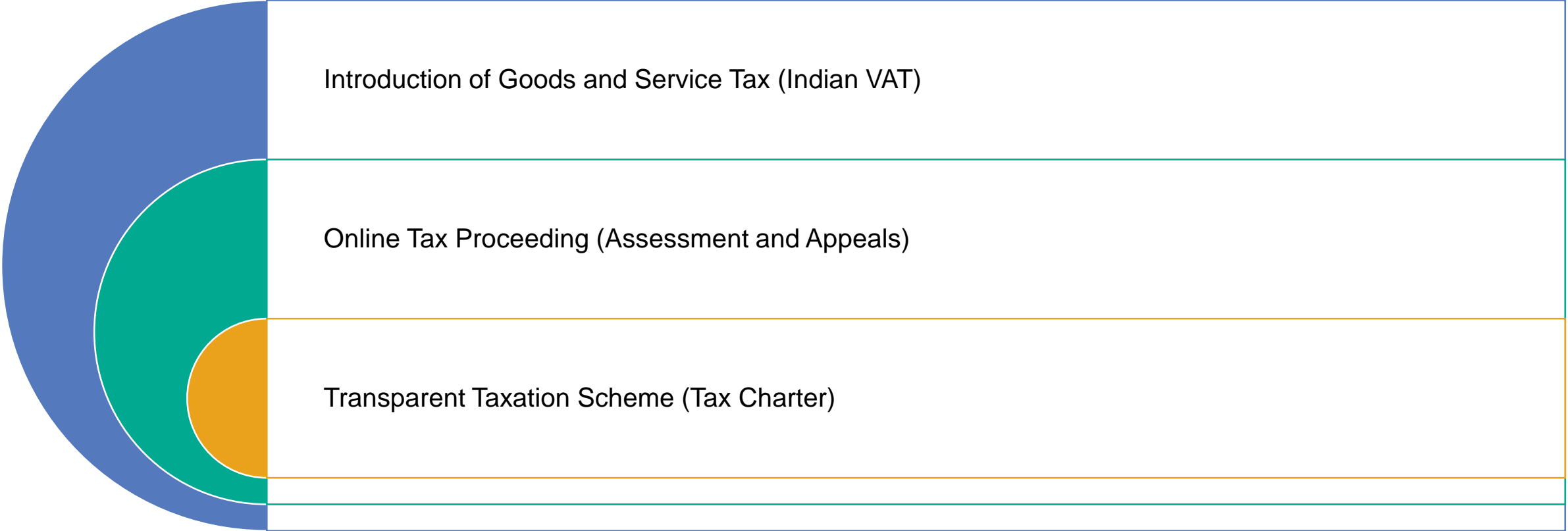
- ✓ Legally defined timelines for completion of the resolution process
- ✓ Lower threshold to initiate the process
- ✓ Electronic Information system about the companies in insolvency process
- ✓ Continuing legal processes and further developments

LABOUR LAWS

- ✓ Standardization and streamlining of labor laws and regulations
- ✓ Codification in 4 categories (Industrial Relations, Wages, Safety and Social Security)
- ✓ Introduction of Model laws and regulations (Shop and Establishment Act)
- ✓ Ease of Compliance (Portal, LIN)

2. MAJOR TAX REFORMS

Tax friendly environment



Introduction of Goods and Service Tax (Indian VAT)

Online Tax Proceeding (Assessment and Appeals)

Transparent Taxation Scheme (Tax Charter)

For any tax related query, please feel free to write to gaurav.makhijani@roedl.com

2. MAJOR TAX REFORMS

Tax rate cuts and reduced tax compliance

Corporate tax rate cuts

- Base corporate tax rate reduced to 22%
- Base corporate tax rate for newly incorporated manufacturing company reduced to 15%

Dividend Distribution Tax abolished

- Dividend Distribution Tax abolished from 1 April 2020
- Beneficial tax treaty rate available to foreign shareholder

Relaxation of filing of tax returns by foreign companies

- Foreign companies earning income in the nature of royalty, FTS, dividend or interest are not mandatorily required to file tax return in India if withholding is done as per Indian domestic tax law

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2. MAJOR TAX REFORMS

Measures to reduce tax litigation

Reduced number of tax scrutiny cases (0.25% of total tax return filed)

Higher threshold for filing appeal by tax department

Higher threshold for initiating criminal proceedings for tax defaults

Tax amnesty scheme

Reduced time for completion of assessment

THANK YOU

धन्यवाद

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