

COUNTRY PROFILE



India

Tax overview

Corporate Income Tax	25% or 30%
Personal Income Tax	30%, progr.
Gift Tax	None
Wealth Tax	None
Inheritance Tax	None

Legal System

India is a parliamentary democracy, and applies a mix of common law, civil law and religious laws (Hindu, Muslim and Christian).

Currency and Exchange Controls

The currency is the Indian Rupee, and is subject to foreign exchange controls.

Corporate Income Taxation

Corporations resident in India are taxed on worldwide income at a standard rate of 30%, plus surcharge and Cess.

Personal Income Tax

Indian residents are taxed on worldwide income at progressive rates of up to 30%, plus surcharge and Cess. Certain transfers made gratuitously or at an undervalue to non-relatives may be taxable as income, India does not impose inheritance tax or wealth tax.

Anti-Avoidance Rules

India has General Anti-Avoidance Rules (GAARs). India has Transfer Pricing rules that follow the OECD guidelines. India has no Thin Capitalization or Controlled Foreign Corporation (CFC) rules.

Notified Jurisdictional Area

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Foreign Trusts

India has a domestic trust law, The Indian Trusts Act (1882). India is not party to The Hague Convention on Trusts, but foreign trusts are recognized under Indian laws. Trusts, whether foreign or domestic, are not taxable entities. In general, Indian resident settlors of foreign revocable trusts remain liable for tax on undistributed income, and Indian resident beneficiaries of foreign discretionary trusts are not taxable on undistributed income.

Double Tax Treaties (DTTs)

India has DTTs with a number of jurisdictions, including Austria, Canada, Cyprus, Denmark, Hungary, Luxembourg, Malta, Mauritius, Netherlands, New Zealand, Singapore, Spain, Switzerland, UK and the US.

OECD Multilateral Convention

India is a party to the OECD Convention on Mutual Administrative Assistance in Tax Matters. Signatories are required to exchange information "on request," and are authorized to exchange information spontaneously and automatically.

Common Reporting Standard (CRS)

India has adopted CRS for the automatic exchange of account information, has signed the Multilateral Competent Authority Agreement (MCAA), and has a number of activated relationships.

FATCA

India has entered into a FATCA Model 1 IGA with the US for the automatic exchange of information.

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