

Suggestions for the Government of India by JCCII 2016

1. TAX SYSTEM

1-1	Indian subsidiaries of “Sogo Shosha” should be characterized as Service Providers, and not Traders, as continuously characterized in the Transfer Pricing (TP) assessments.
1-2	The Indian Tax Department should avoid unreasonable Permanent Establishment (PE) requisition and PE taxation against the parent company and the overseas group companies.
1-3	Minimum Alternative Tax (MAT) Exemption Rights in the Special Economic Zone (SEZ) should be restored following the disadvantageous retroactive revision to the law.
1-4	Exemption of Dividend Distribution Tax for dividend paid to foreign shareholders and adoption of Withholding tax system
1-5	Exemption of Tax (Service Tax) on exports from India.

2. BANKING SECTOR

2-1	Relaxation on External Commercial Borrowing (ECB)
2-2	Foreign banks should be allowed to open branch offices in the metropolitan area more liberally and promptly.
2-3	Priority Sector Lending (PSL) target for foreign banks with less than 20 branches should be put back to 32% of Adjusted Net Bank Credit. Conditions for the deposits with SIDBI/NABARD, etc. should be more relaxed.
2-4	Foreign banks should be allowed to borrow foreign currency from the head office and/or branches abroad with no limitation.
2-5	In order to facilitate the introduction of Global Standard Credit Support Annex (“Global CSA”), regulations on cross-border transfer of securities for collateral posting must be eased. Settlement and clearing of Indian Securities has to evolve for Indian National Debt to be used as eligible collateral for Local Credit Support Annex (“Local CSA”).
2-6	The exposure taken by a bank against the counter-guarantee of another bank should be exempted from the exposure to a single borrower in the calculation of Single Borrower Lending Limit.
2-7	Relaxation on evidences to submit for forex transactions and on customers’ suitability for currency options

3. LOGISTICS AND DISTRIBUTION

3-1	The technical term in Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) list should be amended and clarified.
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4. STEEL PRODUCTS

4-1	Relaxation of mandatory certification of IS for steel products
4-2	Steel products which are not manufactured in India or do not have any substitute should be excluded at the time of safe guard (SG) or anti-dumping (AD) case.

5. AVIATION

5-1	Foreign airlines operating in India should be exempt in respect of following:- (a) Preparation and Audit of Annual Accounts (b) Filing of Annual Return in Form FC-4 (c) Compliance with Sec.135 of The Companies Act, 2013 requiring certain companies to spend 2% of net profit on CSR.
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6. INTELLECTUAL PROPERTY RIGHTS

6-1	Introduction of effective systems on intellectual property rights for facilitating innovation and creativity
6-2	Improvement of the regulation regarding intellectual property rights
6-3	Improvement of practice regarding intellectual property rights
6-4	Countermeasure against the circulation of counterfeit products in the market

7. PROCEDURE

7-1	Modification of regulation regarding resident director
7-2	Flexible operation of Safety regulation(BIS)

8. INFRASTRUCTURE

8-1	Development of the Ring Roads toward implementation of Chennai Bangalore Industrial Corridor (CBIC)
8-2	Constructions of the Roads and Bridges in Chennai City should be completed at the earliest.
8-3	Connectivity in and around Bangalore should be improved and construction of the Roads therein should be completed at the earliest.
8-4	Operation in Chennai port should be assessed by the experts and countermeasures should be implemented.
8-5	Improvement of facilities in Kamarajar port (ex. Ennor port)
8-6	Further promotion of road construction of NH8 (Gurugaon - Manesar - Bawal - Neemrana)
8-7	New arterial road construction between Haryana and Utter Pradesh state
8-8	Short and medium term measures to be adopted to solve decreasing "draft" problem at Haldia Dock Complex (HDC).

8-9	Further promotion of road construction of National Highway No. 6.
8-10	New areas suggested for repairing and reconstruction in National Highway No. 6 and request to remove bottlenecks.

9. FOLLOW-UP ITEM

9-1	Industrial parks should contain various features/functions comparable to international practices.
9-2	Goods and Services Tax (GST) should be introduced at the earliest.