# 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
1-1	not Traders, as continuously characterized in the Transfer Pricing (TP) assessments.
	The Indian Tax Department should avoid unreasonable Permanent Establishment (PE)
1-2	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
1-3	(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
1-4	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
2-2	liberally and promptly.
	Priority Sector Lending (PSL) target for foreign banks with less than 20 branches should
2-3	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
2-4	branches abroad with no limitation.
	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
2-5	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
2-0	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
2-1	currency options

# 3. LOGISTICS AND DISTRIBUTION

2 1	The technica	ıl term ir	Special	Chemicals,	Organisms,	Materials,	Equipment	and
3-1	Technologies (SCOMET) list should be amended and clarified.							

#### 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

	Foreign airlines operating in India should be exempt in respect of following:-
	(a) Preparation and Audit of Annual Accounts
5-1	(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.

### 6. INTELLECTUAL PROPERTY RIGHTS

6-1	Introduction of effective systems on intellectual property rights for facilitating
0-1	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

0.1	Development of the Ring Roads toward implementation of Chennai Bangalore
8-1	Industrial Corridor (CBIC)
8-2	Constructions of the Roads and Bridges in Chennai City should be completed at the
8-2	earliest.
8-3	Connectivity in and around Bangalore should be improved and construction of the
6-3	Roads therein should be completed at the earliest.
8-4	Operation in Chennai port should be assessed by the experts and countermeasures
0-4	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 -
8-0	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
0-8	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
8-10	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.