

Suggestions for the Government of India by JCCII 2017

1. TAX SYSTEM

1-1	Indian subsidiaries of “Sogo Shosha” should be characterized as Service Providers, 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	Exemption of Dividend Distribution Tax for dividend paid to foreign shareholders and adoption of Withholding tax system
1-4	Exemption of Indirect Tax (Service Tax) on exports from India.
1-5	Abolition of consent Dividend Distribution Tax for Group Finance
1-6	Refund of Central Excise, CENVAT Credit to be made without delay

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
2-8	Relaxation of eligible issuers for Masala Bonds

3. LOGISTICS AND DISTRIBUTION

3-1	Abolition or revision of Custom Notification dated 31/03/2017 which stipulates the submission of bill of entry before arrival of cargo and penalty charges for the delayed
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	submission.
3-2	Setting up Inland Container Depot in Mysore

4. STEEL PRODUCTS

4-1	Relaxation of mandatory certification of IS for steel products
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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.
5-2	Elimination of regulations on the use currency in air ticket settlement

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
6-5	Enhancement of illegal product control

7. PROCEDURE

7-1	Modification of regulation regarding resident director
7-2	Flexible operation of Safety regulation(BIS)
7-3	Apply BIS registration to second hand product without exception
7-4	Optimization of E-waste management
7-5	Optimization of Plastic-waste management
7-6	Review of notification which Indian Ministry of Commerce and Industry has instructed retroactivity for modification of export duty procedure
7-7	Systematization for sharing information related to industrial location, application and approval process which are necessary due to various changes in law. For example providing synoptic table/one stop information sharing website containing procedures which can be run by a national organization (INVEST INDIA etc.)
7-8	To improve the quality and standard of fenestration (doors and windows) for residences
7-9	To raise awareness and provide training for the procedure under the “Social Security Agreement between India and Japan (SSA)” to officials of local authorities in charge of

	Employees' Provident Fund (EPF)
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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

9. FOLLOW-UP ITEM

9-1	Industrial parks should contain various features/functions comparable to international practices.
9-2	GST implementation itself must be welcomed. However, we request to make simpler accounting processing system for GST, keeping in view the aspect of time & effort and also cost that is imposed on the companies due to this.