

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:16
ANSWERED ON:08.08.2012
TAXATION POLICY
Mani Shri Jose K.

Will the Minister of FINANCE be pleased to state:

(a) whether following the visits of the Foreign Minister of Mauritius and the Prime Minister of Singapore, the Government has plans to reverse/has reversed its taxation policies from a collection focused domain to an investor friendly domain; and

(b) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b): The taxation policy of the Government strikes a balance between revenue needs and focus on inbound investment. Therefore, there is no reversal of the same. However, keeping in view the concerns expressed by various quarters, the Government has constituted a Committee to look into the matters relating to General Anti Avoidance Rules (GAAR). The Committee is also examining the applicability of amendment on taxation of non-resident transfer of assets where the underlying asset is in India, in the context of Foreign Institutional Investors (FII) operating in India purely for portfolio investment.