

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes**

PRESS RELEASE

New Delhi, 1st September, 2015

**Sub: Report of the Committee on Direct Tax Matters on the issue of
applicability of MAT on FII/FPIs – reg.**

A Committee on Direct Tax matters chaired by Justice A.P. Shah was constituted with the initial mandate to examine the matter relating to levy of MAT on FII/FPIs for the period prior to 01.04.2015. The Committee has submitted its final report on applicability of MAT on FII/FPIs for the period prior to 01.04.2015 to the Government on 25.08.2015.

The Committee has recommended that section 115JB of the Income-tax Act may be amended to clarify the inapplicability of MAT provisions to FII/FPIs. Alternatively, the Committee has suggested that a Circular may be issued clarifying the inapplicability of MAT provisions to FII/FPIs.

The Government has accepted the recommendation of the Committee to clarify the inapplicability of MAT to FII/FPIs and has decided that an appropriate amendment to the Income-tax Act will be carried out. Through the amendment the Government proposes to clarify that MAT provisions will not be applicable to FII/FPIs not having a place of business/ permanent establishment in India, for the period prior to 01.04.2015. Pending such amendment, CBDT will convey to the field formations the decision of the Government to accept the recommendation.

The Report of the Committee is available on the website of the Finance Ministry and the Income-tax Department at www.finmin.nic.in and www.incometaxindia.gov.in

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