

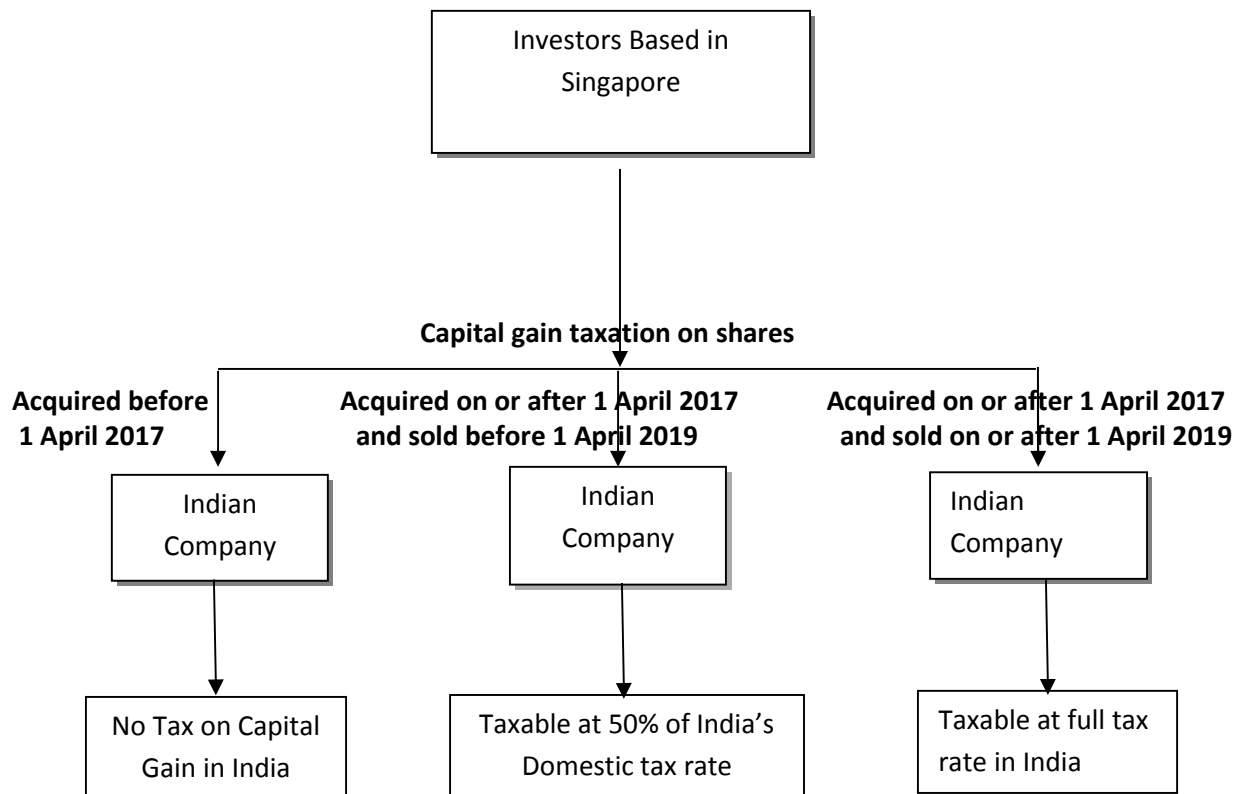
NEW PROTOCOL SIGNED FOR DOUBLE TAXATION AVOIDANCE AGREEMENT (DTAA) BETWEEN INDIA AND SINGAPORE

India and Singapore have signed a Third Protocol on 30th December, 2016 in New Delhi to amend their Double Taxation Avoidance Agreement (DTAA). The protocol was signed by H.E. Mr. Lim Thuan Kuan, Singapore's High Commissioner to India and Shri Sushil Chandra, Chairman of the Central Board of Direct Taxes, India.

✓ Key Highlights with regards to Capital Gain Taxation of Shares:-

Shares acquired	Tax treatment for gains arising from the alienation of such shares
(a) Before 1 April 2017	<ul style="list-style-type: none">• Remain taxable only in the Residence State of the Investor.• Subject to specified conditions, either companies should be listed on the stock exchange or expenditure on operations of the investor in his residence State should be at least S\$200,000 in Singapore or INR 5,000,000 in India, as the case may be, for each of the 12-month periods in the immediately preceding period of 24 months from the date on which the gains arise.
(b) On or after 1 April 2017	For gains that arise during the period 1 April 2017 to 31 March 2019 <ul style="list-style-type: none">• Tax rate imposed on such gains will be limited to 50% of the tax rate applicable on such gains in the State in which the company whose shares are purchased by the investor is resident.• Subject to specified conditions, either companies should be listed on the stock exchange or expenditure on operations of the investor in its Residence State should be at least S\$200,000 in Singapore or INR 5,000,000 in India, as the case may be, for the immediately preceding period of 12 months from the date on which the gains arise.
(c) After 31st March, 2019	<ul style="list-style-type: none">• Will be taxable in the State in which the company whose shares are purchased is resident.

Note:-For first 2 years, India and Singapore will share the taxes on such gains equally and from third year onwards, all such taxes will accrue to India



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