

Instruction No. 9/2015

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

North Block, IT (A-II) Division
New-Delhi, dated the 2nd of September, 2015

Subject: Report on applicability of Minimum Alternate Tax (MAT) on FIIs/FPIs for the period prior to 01.04.2015 and acceptance of the Government thereof- reg.-

A Committee on Direct Tax Matters chaired by Justice A.P. Shah, was constituted to examine the issue of applicability of Minimum Alternate Tax ('MAT') on FIIs/FPIs for the period prior to 01.04.2015. The Committee has submitted its final report to the Government on 25.08.2015. The Committee has recommended that section 115JB of the Income-tax Act, 1961 ('Act') may be amended to clarify the inapplicability of the provisions of section 115JB to FIIs/FPIs having no permanent establishment (PE)/place of business in India. The Government has accepted the said recommendation and it has been decided to carry out appropriate amendment in the Act so as to prescribe that MAT provisions will not be applicable to FIIs/FPIs not having a place of business/permanent establishment in India, for the period prior to 01.04.2015.

The field authorities are accordingly advised to take into consideration the above position and keep in abeyance, for the time-being, the pending assessment proceedings in cases of FIIs/FPIs involving the above issue. They are further advised not to pursue the recovery of outstanding demands, if any, in such cases.



(Rohit Garg)

Deputy Secretary to the Government of India

F. No. 225/237/2015-ITA-II

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1. PS to F.M./OSD to FM/PS to MOS(R)/OSD to MOS(R)
2. PS to Secretary (Revenue)
3. Chairperson (DT), All Members, Central Board of Direct Taxes.
4. All Pr.CCsIT/CCsIT/Pr.DsGIT/DsGIT
5. All Joint Secretaries/CsIT, CBDT
6. Directors/Deputy Secretaries/Under Secretaries of Central Board of Direct Taxes
7. DIT (RSP&PR)/Systems, New Delhi, for appropriate publicity by putting it on departmental website
8. The C&AG of India (30 copies)
9. The JS & Legal Advisor, Min. of Law & Justice, New Delhi
10. The Institute of Chartered Accountants of India, IP Estate, New Delhi-110003
11. All Chambers of Commerce
12. CIT (OSD), Official Spokesperson of CBDT



(Rohit Garg)

Deputy- Secretary to the Government of India