

## Knowledge sharing workshop: Recent developments in the Dividend Taxation Regime in India- Significance for European investors

**Date: 18th August, 2021 at 3:00 PM– 3:50 PM (IST) | 11:30 AM – 12:20 PM(CET)**

Time (IST)	Time (CET)	AGENDA	
3.00pm-3.05pm	11.30am-11.35am	<b>Introduction &amp; Welcome</b>	Director, EBTC
3.05pm-3.10pm	11.35am-11.40am	<b>Introduction to the topic and overview</b>	Mr. Gaurav Mehndiratta, Partner and National Leader – Corporate & International Tax KPMG in India
3.10pm-3.40pm	11.40am-12.10pm	<p><b>Discussion on technical proposition for European investors/ FPIs:</b></p> <ul style="list-style-type: none"> <li>- Recent changes and beneficial withholding tax on dividend for European investors under Tax Treaties</li> <li>- Reduced 5% withholding tax rate for shareholders from select jurisdictions- Netherlands, France, Switzerland, Sweden and Hungary- discussion on recent court rulings</li> <li>- Eligibility for beneficial rates under Tax Treaties and way forward strategy</li> </ul> <p><b>Refund Strategy for previous year dividends</b></p> <p><b>Way forward for European Companies</b></p>	Ms. Nidhi Maheshwari, Chartered Accountant
3.40pm-3.50pm	12.10pm-12.20pm	<b>Audience Q&amp;A</b>	Interactive Q&A moderated by Ms. Nidhi Maheshwari
3.50pm	12.20pm	<b>Vote of Thanks</b>	Ms. Vaishali Jain, Sr. Manager, EBTC

## REFERENCE DOCUMENT

### **Knowledge sharing workshop: Recent developments in the Dividend Taxation Regime in India- Significance for European investors**

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#### **Context:**

As a significant change in the Indian dividend taxation regime, Dividend Distribution Tax (DDT) has been discontinued with effect from 1 April 2020 and classical withholding tax on dividends has been introduced. As a result, non-resident shareholders including Foreign Portfolio Investors can avail the beneficial tax treaty rates (typically 10%), subject to conditions such as beneficial ownership, etc. The shareholders of Netherlands, Sweden, France, Switzerland and Hungary can explore a further reduced rate of 5% owing to the Most-Favoured-Nations (MFN) clause under the respective Tax Treaties. Recent court rulings have blessed applicability of the reduced rates, providing a much-needed impetus to cash repatriation in these pandemic afflicted times. Even where dividends have been paid in the past, a proposition of claiming refund of the 'excess' DDT over the withholding tax rate can be explored. The knowledge sharing workshop shall help in understanding these developments along with way forward for the European Companies for exploring dividend as a repatriation option by applying beneficial tax rates under the relevant Tax Treaties.

#### **Participants:**

Select CXO's, business leaders, funding institutions, investors, think tanks, business associations from Netherlands, Sweden, France, Switzerland and Hungary having interest/ invested in India along with participants from all other European countries as they shall also benefit from this change in tax regime.

#### **Format:**

- Virtual session will be conducted on the Teams platform.
- The key takeaways from the session will be posted on the social media handles and a blog series and knowledge sharing activities may be initiated post the session.

## ***About European Business and Technology Centre (EBTC)***

*EBTC is a project facilitation and advisory company, enabling development cooperation and collaborations between Europe and India. As a service provider to public and private sector projects, EBTC focuses on enhancing the economic activity and supporting internationalisation of businesses in India and Europe. EBTC's initiatives are guided by standards of sustainability and innovation.*

*EBTC was constituted as an outcome of an EU-India Summit in 2008, where it was decided to create a body that would support cross-border collaborations for clean and sustainable solutions. Whilst EBTC thereby started as a Project, co-funded by the EU, with a mandate to enhance multilateral cooperation in the area of sustainability and climate change, EBTC transformed itself into a self-sustainable not for profit company headquartered in New Delhi, India.*

## ***Europe-India Corporate Finance Forum***

**Forum Objective:** *The Forum facilitates and supports Europe-India business collaboration initiatives by co-creating a Body of Knowledge in financial domain through focused knowledge sharing activities and providing thought leadership for internationalisation.*

### **Your contact at the Forum:**

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