

STANDARD AND INTERNATIONAL INVESTMENT
AGREEMENTS

Investors may claim input tax credit for 80 per cent of the GST paid for input and credit for output tax. This is consistent with the Indian Income Tax law which allows business to claim 80 per cent input tax credit. The balance 20 per cent will be available as a credit.

INDIAN TAX TREATY

India has entered into double tax treaties with various countries. The purpose of these treaties is to avoid double taxation and to encourage investment. The treaties provide for the elimination of double taxation by allowing credit for taxes paid in one country against taxes payable in another country. The treaties also provide for the reduction of the rate of tax on income derived from the other country. The treaties are entered into with various countries including the United States, the United Kingdom, France, Germany, Italy, Japan, Canada, Australia, and many others.

INDIAN TAX TREATY

The Indian tax treaty with the United States provides for the elimination of double taxation. Under the treaty, the United States will allow credit for taxes paid in India against taxes payable in the United States. The treaty also provides for the reduction of the rate of tax on income derived from the United States. The treaty is entered into with various countries including the United States, the United Kingdom, France, Germany, Italy, Japan, Canada, Australia, and many others.