

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

PRESS RELEASE

New Delhi, 24th September, 2015

Sub: Applicability of Minimum Alternate Tax (MAT) on foreign companies having no PE in India- regarding-

Issues relating to taxation of foreign companies, having no permanent establishment in India, have been under consideration of the Government. In this regard, the Government has already clarified the inapplicability of MAT provisions to FII's/FPIs.

The Government has now considered the issue of applicability of MAT under section 115JB of the Income-tax Act to foreign companies having no place of business/permanent establishment in India.

After due consideration of the various aspects of the matter, the Government has decided that with effect from 01.04.2001 the provisions of section 115JB shall not be applicable to a foreign company if —

- the foreign company is a resident of a country having DTAA with India and such foreign company does not have a permanent establishment within the definition of the term in the relevant DTAA, or
- the foreign company is a resident of a country which does not have a DTAA with India and such foreign company is not required to seek registration under section 592 of the Companies Act 1956 or section 380 of the Companies Act 2013.

An appropriate amendment to the Income-tax Act in this regard will be carried out.

**(Shefali Shah)
Pr. Commissioner of Income Tax (OSD)
Official Spokesperson, CBDT**