



Foreign Portfolio Investors (FPIs)

The increasingly globalised world permits investors to consider exploring foreign markets, allowing them to build a diversified portfolio which not only helps them achieve their investment objectives, but also provides attractive returns.

The Indian government offers foreign investors an opportunity to invest in Indian markets through the Foreign Portfolio Investor (FPI) route. The increasing attractiveness of the Indian economy and Indian securities, has resulted in a steady increase of the number of FPIs registering in India and the quantum of FPI investments in India. While the returns from Indian markets are attractive, FPIs need to ensure that they are tax compliant in India so that there are no surprises in the future which could negatively impact the actual return earned from Indian securities.

With an in-depth understanding of the tax and regulatory framework applicable to FPIs, the SKP FPI team provides a complete bouquet of taxation services to FPIs comprising of advisory services (including advise on structuring investments in India in a tax efficient manner), day-to-day accounting of transactions, compliance services (tax returns and remittance certificates) and representation before tax and regulatory authorities. We provide FPIs valuable support to not only remain tax compliant in India but also optimise their tax cost and post tax returns.

Our Services

Advisory services

Structuring FPI operations

- Evaluating alternative structures for selecting the most appropriate one considering investment objectives of the FPI. Alternative structures are analysed keeping in mind the following:
 - Indian Exchange Control and SEBI Regulations
 - Income Tax Regulations
 - Relevant Double Tax Avoidance Agreements (DTAA)
 - Provisions of Multilateral Instrument (MLI) signed under the BEPS project of OECD
 - Provisions of General Anti-Avoidance Rules (GAAR).
- Assistance in setting up an entity in a foreign jurisdiction

FPI registration

- Advise on the following aspects that govern FPI investments in India:
 - Regulatory framework governing FPIs
 - Eligibility criteria for registrations with DDPs
 - Liaising with DDPs for FPI registration certificate.

Permanent Account Number (PAN) application

Assist FPIs in making an application for allotment of a Permanent Account Number (PAN) in India (tax registration number).

Digital Signature Certificate (DSC) application

Assist FPIs in making an application for the allotment of a DSC in India which is used for filing tax returns.

Regulatory and accounting services

- With the use of automated systems, assist clients in maintaining a record of its securities in India after coordinating with DDP.
- Make note of corporate actions in relation to securities held by the FPI and factoring its impact while preparing tax computations.
- Provide regular Management Information System (MIS) reports to the FPIs for their perusal.

Compliance services - Computation of income and tax thereon and issue of remittance letter/certificate

- Computation of capital gains/losses on the sale of Indian securities and interest/dividend income earned by the FPIs on the basis of scrip-wise accounting.
- Considering the impact of dividend stripping and bonus stripping while computing gains/losses.
- Assistance in computation and payment of advance tax within the prescribed time lines.
- Issuing a remittance certificate/letter as and when required in the prescribed format advising income-tax liability to enable repatriation by the DDP to the FPI's bank account in its home country.

Compliance services - tax return

- Computation of taxable income for each fiscal year from 1 April to 31 March and filing the corresponding tax return with the tax authorities within the prescribed time limit.
- Assistance in the preparation of details/notes to be furnished in the tax return for the income earned in India.

Representation services

- Attending and liaising with the Indian tax authorities during the assessment proceedings of the Indian tax return.
- Follow up with the Indian tax authorities for refunds due, if any, as per the tax return and also for any other matter that may arise from time to time.
- Assist in preparing and submitting of the application to the income-tax department for nil/lower withholding tax in respect to any of its income in India and making submissions to justify the issue of such a certificate by the income-tax department.

Why SKP?

- Dedicated team for handling FPI taxation
- Use of special software for accounting of trades, enabling quick turnaround time for issuing certificate for repatriation.
- Ensuring accuracy and security of the data.
- Providing MIS reports on a timely basis.
- Updating clients on a regular basis about the latest developments on the tax front which may affect them in general or in particular.
- Issuing tax and regulatory alerts and conducting webinars on important topics from time to time.
- End-to-end tax services provided to FPIs from USA, Mauritius, Singapore, Korea, Netherlands, Luxembourg, Hong Kong, Malaysia, etc.
- Excellent networking with offshore management companies, banks and regulators in Mauritius and Singapore and regular visits to several countries for delivering talks on tax matters.
- Have made representations in the past to the Regulator and the Revenue for issues surrounding the industry.
- Adviser to foreign governments and tax authorities
- Pioneered research on key topics and published research papers in reputed journals
- Several years of experience in dealing with international taxation, DTAAs and GAAR-related matters.
- Regular invitations as guest faculty by the Direct Taxes Regional Training Institute to address and train tax authorities.
- Knowledge partners with prestigious organisations such as NASSCOM, CII and other bilateral chambers of commerce.

About SKP

SKP is a global professional services group with its principal areas of operations in business advisory, end-to-end finance and accounting solutions including attest function and taxation, business process management, and IT risk advisory. SKP's focus is to provide solutions which result in tangible business benefits and performance improvements.

Our multi-disciplinary teams serve clients from various geographies and industries ensuring global standards. With over 80% of our client-base being international, we truly understand the needs of global companies and their expectations and our customized global solutions are designed to factor in local nuances. Our commitment is rooted in a passion for solutions, empowering our people and clients to achieve more.



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