

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4396  
ANSWERED ON:19.12.2014  
WITHHOLDING AND MINIMUM ALTERNATE TAX  
Hari Shri G.

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government of Japan has asked India to exempt Japanese manufacturers operating in India from withholding and Minimum Alternate Tax;
- (b) If so, the details thereof;
- (c) whether Japan has raised this issue in view of commitment on pledging investments worth lakhs of crore in India over the next five years; and
- (a) If so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) & (b) Government of Japan has requested for the following:-

(i) Withholding tax may not be imposed on payments for purchase of goods from non-residents.

(ii) Exemption from Minimum Alternate Tax available to SEZ units prior to amendment of the income Tax Act through Finance Act, 2011 be restored.

(b) & (d) In the Tokyo Declaration issued on 1.9.2014, Japan has expressed intention to invest 3.5 trillion yen in India over five years. The requests as above for exemption from withholding tax and Minimum Alternate Tax were, however, raised well before the Tokyo Declaration.