

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

PRESS RELEASE

Forum Chaired by Dr. Parthasarathi Shome, Adviser to the Finance Minister for Exchange of Views between Industry Groups and Government on Tax Related Issues.

The Finance Minister Shri P. Chidambaram, in his Press Statement dated August 6, 2012 had laid down the guiding principles in taxation as clarity in tax laws, a stable tax regime, a non-adversarial tax administration, a fair mechanism for dispute resolution, and an independent judiciary that would provide assurance to investors. Regaining the confidence of all stakeholders was the primary objective.

2. Towards this goal, in July 2013, the Ministry of Finance constituted a Forum for exchange of views between industry groups and Government on tax related issues or tax related disputes. The Forum was chaired by Dr. Parthasarathi Shome, Adviser to the Finance Minister, and supported by officers of the Central Board of Direct Taxes (CBDT) and the Central Board of Excise and Customs (CBEC). The Forum heard the views of industry groups and associations. It also provided the Government an opportunity to explain its stand on tax related matters to the industry.

3. The Forum held 18 meetings during August-September 2013. The Forum discussed issues related to direct taxes as well as indirect taxes concerning an industry group or sector but did not entertain the grievances of any individual taxpayer. In order to have structured and meaningful discussions, a format was devised for receiving memoranda from industry groups so as to clearly highlight the tax issue or tax dispute sought to be discussed.

4. During the two-month period, the Forum met every Wednesday with representatives of various industry groups and associations and covered matters relating to the information technology sector, manufacturing sector, infrastructure sector, the services sector including financial services, insurance sector including reinsurance, the export sector, and issues in international taxation.

5. The Forum identified 29 issues in direct taxes and 47 issues in indirect taxes that merited removal of the obstacles and issue of clarifications or amendment of procedures. These issues were sent to the respective Boards for further examination. The Finance Minister discussed these issues with the two Boards and took final

decisions to remove the difficulties faced by taxpayers. Several circulars and notifications have been issued by CBDT and CBEC pursuant to these decisions. Some others are in the process of being issued. Some other issues that require changes in law are expected to be addressed in the forthcoming Union Budget.

6. The Forum has helped taxpayers in resolving several long-standing issues, both in direct and indirect taxes. Such consultations bring to the notice of Government a tax related issue or dispute at a preliminary stage resulting in its resolution much before it snowballs into a greater difficulty for the taxpayer.
