

**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

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**GOVERNMENT ACCEPTS THE RECOMMENDATION OF THE  
JUSTICE A.P. SHAH COMMITTEE TO CLARIFY THE  
INAPPLICABILITY OF MAT TO FIIS/FPIS AND HAS DECIDED THAT  
AN APPROPRIATE AMENDMENT TO THE INCOME-TAX ACT WILL  
BE CARRIED OUT; FINAL REPORT OF THE JUSTICE A.P. SHAH  
COMMITTEE ON DIRECT TAX MATTERS CONSTITUTED WITH THE  
INITIAL MANDATE TO EXAMINE THE MATTER RELATING TO  
LEVY OF MAT ON FIIS/FPIS FOR THE PERIOD PRIOR TO 01.04.2015  
RELEASED**

**New Delhi, September 1, 2015  
Bhadrapada 10, 1937**

A Committee on Direct Tax matters chaired by Justice A.P. Shah was constituted with the initial mandate to examine the matter relating to levy of MAT on FIIs/FPIs for the period prior to 01.04.2015. The Committee has submitted its final report on applicability of MAT on FIIs/FPIs for the period prior to 01.04.2015 to the Government on 25.08.2015.

The Committee has recommended that section 115JB of the Income-tax Act may be amended to clarify the inapplicability of MAT provisions to FIIs/FPIs. Alternatively, the Committee has suggested that a Circular may be issued clarifying the inapplicability of MAT provisions to FIIs/FPIs.

The Government has accepted the recommendation of the Committee to clarify the inapplicability of MAT to FIIs/FPIs and has decided that an appropriate amendment to the Income-tax Act will be carried out. Through the amendment the Government proposes to clarify that MAT provisions will not be applicable to FIIs/FPIs not having a place of business/ permanent establishment in India, for the period prior to 01.04.2015. Pending such amendment, CBDT will convey to the field formations the decision of the Government to accept the recommendation.

The Report of the Committee is available on the website of the Finance Ministry and the Income-tax Department at [www.finmin.nic.in](http://www.finmin.nic.in) and [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)

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