

NEWS

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FOR IMMEDIATE RELEASE

FM Mukherjee Seeks "Seachange" of Legislation in the Coming Session of Parliament, Promises New Tax Rules This Year to USIBC, FICCI Leaders

NEW YORK - September 22, 2011 - "This coming winter session of Parliament will be an active one," announced the Honorable Union Minister of Finance Pranab Mukherjee this Wednesday to senior industry leaders in New York. The exclusive roundtable, co-hosted by the U.S.-India Business Council (USIBC) and the Federation of Indian Chambers of Commerce and Industry (FICCI) convened CEO and Chairman-level executives for a candid and productive discussion with Minister Mukherjee on global markets and the road ahead for foreign investment in India. As Chair of the meeting, former U.S. Ambassador to India and USIBC Executive Board Member Frank Wisner said, "We are delighted to hear from the Minister the many significant legislative moves industry can expect from Government of India this season. Now is the time to rebound from global economic stagnation and progress forward in realizing India's place as a world economic leader. Business will continue to lead the way."

In the discussion, Minister Mukherjee made specific note of progress he expects on pending legislation in the insurance, pensions, defense, broadcasting, and banking sectors. Industry executives discussed how raising India's FDI cap in insurance to 49 percent will mobilize significant long-term foreign lending, creating deeper long-term debt markets and serving as an important tool in the creation of a world-class infrastructure that will propel India to a higher level of economic growth. Minister Mukherjee explained the logistics required and commercial benefits expected from the upcoming Goods and Services Tax (GST). FICCI and USIBC members were keenly interested to hear the Minister's insightful commentary on the forthcoming Direct Tax Code (DTC) and possible changes to the existing Mauritius Tax Treaty on which a tremendous amount of foreign investment into India relies.

When asked about the recent moves by Government of India on transparency, Minister Mukherjee expressed significant optimism: "Recent events and decisions made by Government together with civil society will result in greater transparency, with tremendous benefit to civil society and industry alike."

On the heels of this exchange, USIBC and FICCI also hosted Honorable Minister for New and Renewable Energy Farooq Abdullah and Honorable Power Minister Sushil Kumar Shinde. To wrap up this exciting week, FICCI and USIBC members will meet with Department of Industrial Policy and Promotion Secretary R.P. Singh and will host a senior-most delegation from the Government of Karnataka.

The U.S.-India Business Council (USIBC) was formed in 1975 at the request of the Government of India and the U.S. Government to deepen trade and strengthen commercial ties. The U.S.-India Business Council celebrated its 36th Anniversary "Leadership Summit" in June, honoring the exemplary leadership of corporate icons Chanda Kochhar and Frederick Smith, hosted by USIBC's Chairman, Terry McGraw, President & CEO and Chairman of McGraw-Hill Markets.

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