

# Banking, Financial Services and Insurance

Tax

Over the years, the banking and financial services space has undergone a major overhaul due to evolving regulations. Needless to say, the tax and regulatory regime has tried to keep pace with these changes as laws have become more dynamic. The taxmen have been vigilant to preserve their tax base and the regulators continue to fulfill their obligations by taking

stringent action against erring entities. Tax and regulatory considerations have gained unprecedented importance and have become a boardroom subject. In the midst of these changes, it is imminent that businesses take a holistic view of their status-quo, carefully examine their tax positions and duly comply with the various regulations.

## KPMG in India - Service offerings

Our Banking, Financial Services and Insurance (BFSI) practice provides a wide array of tax and regulatory services to Indian as well as foreign players in the BFSI space. Our professionals come from wide variety of backgrounds with deep knowledge and experience.

With in-depth industry knowledge of serving major players in the BFSI space, our team engages in providing the following broad range of tax and regulatory services including:



**Direct tax advisory services**



**Direct tax compliance services**



**Regulatory compliance and advisory services**



**Tax Litigation Advisory Support**



**Assistance to Foreign Portfolio Investors (FPIs)**



**Licensing application assistance**

# Brief description of our BFSI offerings

While the nature and areas of assistance are customised to the specific requirements and scope of each assignment, KPMG in India's tax service offerings broadly include:

## Direct tax advisory services

- Advising clients on in-bound/out-bound structuring, including jurisdiction and permanent establishment exposure analysis
- Advising on repatriation strategies (buyback, capital reduction, etc.)
- Reviewing various documentation viz. constitution documents, shareholding agreement, etc.
- Equalisation Levy / significant economic presence impact analysis
- Analysis of applicability of GAAR, POEM, PE, MLI impact
- Analysis of the Pros and Cons for shifting/setting-up base in IFSC
- Understanding the various incentives for setting-up in IFSC (including tax incentive).

## License Application/ Implementation Assistance

- Providing assistance in obtaining licencing approvals from various regulators viz. RBI, SEBI, IFSCA, IRDA and NHB
- Assistance in setting up NBFCs, HFCs, Wallets, Banks, ARCs
- Advising clients on their extant shareholding pattern and suggesting alternatives to enable them to meet the structure which is compliant with the guidelines in order to comply with licencing requirements
- Advising clients on re-alignment of their businesses and/or subsidiaries to comply with the licencing requirements
- Assisting clients in setting up a small finance bank/universal bank pursuant to receipt of in-principle approval from RBI
- Incorporation/Setting-up of Company/ Fund in IFSC.

## Direct tax compliance services

- Preparing/review and filing of corporate tax, non - corporate tax and withholding tax returns
- Assist in obtaining nil/lower tax withholding tax order
- Assist in obtaining No Objection Certificates (NOC) from the revenue authorities
- Providing tax health check/tax due diligence services
- Certification and remittance letters
- FATCA compliance services.

## Assisting FIs/FPs

- Providing regulatory advisory services to FIs/FPs on entry strategies into India
- Assisting in computation of tax on capital gains on sale of securities, GDRs interest, dividend, profit on forward exchange contracts, etc.
- Assisting in preparing notional reports
- Giving effect to corporate actions and computing tax thereon
- Issuing letters/certificates to facilitate repatriation of sale proceeds, investment income etc.
- Assisting in preparing and filing of annual tax returns
- Assisting in audit/appellate proceedings before tax authorities.

## Regulatory advisory services

- Advising clients on compliance with Foreign Direct Investment norms
- Assisting clients in filing or complying with various regulatory requirements
- Assistance in setting up of joint ventures / branches / liaison offices in India
- Assist in obtaining approval for foreign direct investment into India
- Conducting regulatory due-diligence
- Assessing the feasibility of products, arrangements, etc. from a regulatory standpoint.

## Tax Litigation Advisory Support

- Assessment / Litigation support services (including appeals, Board of Advance Rulings, MAP, writ petitions)
- Obtaining refunds from Tax Department
- Tax Technology Solutions
- Advocacy and representation before the CBDT/Ministry of Finance.

## Why KPMG in India

- Our BFSI practice is a dedicated and a focused tax practice serving major banking and financial services clients
- We have a committed team of experienced professionals, who focus on assisting BFSI clients and have track record in client representation and resolution of controversial tax issues
- The team, well-connected within KPMG's global network of member firms, keeps track of developments in the sector, in India and global markets, and proactively engages in finding suitable approaches.



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