

What's New

News Flash



February 2017

Foreign Portfolio Investors can now trade on an Indian international stock exchange

The Prime Minister of India inaugurated India INX, an international stock exchange set up in International Financial Service Center ('IFSC') in Gujarat International Finance Tec-City (GIFT) in January 2017. India INX has commenced trading and is operational for 22 hours daily to cover various time zones. National Stock Exchange too is in the pipeline to start an international exchange in IFSC. Several stock broking firms and banks have set up presence in IFSC.



A wide range of products would be available for foreign investors such as index based derivatives, INR bonds, equity shares of a company incorporated outside India, depository receipts, debt securities, currency and interest rate derivatives, etc issued in foreign currency. Currently, Index Futures, Index Options, Equity Futures and Equity Options have been launched as products for trading on India INX.



Indian government has announced certain regulatory and fiscal incentives to attract investors and financial services players from across the globe such as:

- Corporate tax holiday, Minimum Alternate Tax reduced from 18.5% to 9% and dividend distribution tax waived off for the business units located in IFSC.
- Securities transaction tax, commodities transaction tax waived off thereby significantly reducing the cost of trading.
- Long term capital gains tax exemption on equity shares and short term capital gains tax rate of 15% extended to those trading on a stock exchange in IFSC.
- FPIs registered with SEBI permitted without undergoing any additional registration or approval process.



If you wish to explore the above investment avenue and you need any assistance in registrations, setting up accounts with banks and stock brokers (members of India INX) or connecting with any of the intermediaries or need advice on tax and regulatory implications, please feel free to contact us.

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If your interest lies in a specific area or subject, do advise us so we can send you only the relevant alerts. For any additional information, please reach out to your PwC relationship manager or write in to [**pwctr.knowledgemanagement@in.pwc.com**](mailto:pwctr.knowledgemanagement@in.pwc.com)

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