

Double Taxation Avoidance Agreement (DTAA)

India has signed Double Taxation Avoidance Agreements (DTAAs) with several countries to ensure that Non-Resident Indian (NRI) investors are not taxed twice on the same income. Under the current DTAA provisions, eligible NRI investors can avail concessional Tax Deducted at Source (TDS) rates on interest income and capital gains earned in India. **However, it does not apply to TDS deducted on Dividend income.**

Objective:

The objective is to determine the client's eligibility for DTAA benefits and to ensure that the DTAA benefit is applied before calculating capital gains. The application of DTAA benefits in capital gains taxation varies depending on the country of residence of the Non-Resident Indian (NRI) customer.

By registering under DTAA, investors can benefit from a higher post-tax yield on their NRO deposits and Portfolio Investment Scheme (PIS) transactions.

DTAA Registration Process:

To avail DTAA benefits, investors are required to submit physical copies of the following documents to the Abakkus Asset Manager Pvt Ltd Regional Office:

1. Self-attested copy of the PAN card
2. DTAA Annexure, check your custody (ICICI/HDFC) and use applicable form (as per prescribed format)
3. Tax Residency Certificate (TRC) issued by the country of residence for the relevant financial year
4. Digitally downloaded and Signed Form 10F, self-attested by the investor

Internal Submission Flow:

- The Abakkus Asset Manager Pvt Ltd Regional Teams are responsible for verifying and validating the submitted documents.
- Once verified, the documents are to be forwarded to the Abakkus Asset Manager Pvt Ltd Head Office.

The Head Office will submit the complete set to the respective custody bank for final review and processing.

Note:

DTAA benefits are subject to verification and approval by the respective custodian bank.

Investors must ensure timely submission and renewal of TRC and other documents to continue availing reduced TDS rates. Also note that benefits of DTAA does not apply to TDS deducted on Dividend income.