

Reforms Must in Land Labour & Taxation FM

Arun Jaitley says government has already begun implementing various tax reforms

Promising a globally compatible business climate in India, Finance Minister Arun Jaitley on Wednesday said reforms have become “absolutely necessary“ in the areas of land, labour and taxes to attract investors.

Stating that the government is committed to these reforms, Jaitley also promised a permanent consultation mechanism to address the foreign investors' concerns.

The finance minister further said the government has already begun implementing various tax reforms.

“The aggression in the tax policy has been subdued and taxation structures are now becoming a lot more compatible and lot less adversarial,“ Jaitley said in an interview here.

“Land, labour and taxation -these are the three areas, where the reforms are absolutely necessary. This is what many investors have highlighted. As far as taxation is concerned, quite a positive movement is going on in India, corporate taxes being made very competitive. The goods and services tax (GST) and various other instruments of investments are now coming up. So there is a sense of satisfaction,“ he said.

Wrapping up his seven-day US visit, during which he met a number of foreign investors and the US administration officials, Jaitley said investors here made a number of suggestions that he is taking back home.

“We have to provide a globally compatible regime where there is ease of doing business and where taxation levels are fully competitive. Investors want predictability. They do not appreciate uncertainties,“ he said.

Jaitley said India stands out with a higher growth potential in “a slowed down global economic environment“.

“There has been a considerable amount of fiscal discipline which has been introduced in India. Many sectors have been opened up and there is a huge potential for investment in infrastructure. I think the cutting edge for India is that when rest of the world is slowing down and there are not many great investment avenues, India stands out as a good opportunity. Therefore, if we can continue the reform story and improve ease of doing business, I think this is a great opportunity for India,“ he said.

'GOVT TO WEED OUT ROOT CAUSE OF BLACK MONEY'

In a stern message on black money , Jaitley has said the government is targeting to weed out the root causes of this men ace and a one-time compliance window will be announced in the next few days for those with undeclared assets abroad to come clean. “The government is taking a

number of steps to compress the flow of black money. The most important step...is to weed out the root causes," Jaitley said.

While a new law will come into effect from April 1, 2016, to tackle the black money menace, the government is in the process to put in place a compliance window for those with undeclared assets abroad to come clean by paying the penalty .

"The time frame of the compliance window would be announced very shortly . We are in the process of consultation (on the time frame)," Jaitley said.

Jaitley, who has held a series of meetings with businesses, investors and the government officials during his US trip, said the government has begun taking strong action on black money. "We have got a law passed by Parliament where illegal assets and accounts kept abroad will be penalised. So I will impose a tax on that," he said.

"I am going to announce in the next few days a compliance window that within so many days, disclose the assets, pay the tax plus penalty . And if you use that compliance window, you pay the tax, penalty and get out," Jaitley said.

(Economic Times)