



TAXES

- **Direct Taxes**
 - Income Tax (Corporate, Individual, Withholding)
- **Indirect Taxes**
 - Custom Duties - Import of goods into India
 - Excise Duties - Manufacturing of goods
 - Service Tax - Provision of services
 - Value Added Tax (VAT) - Sale of goods (within state)
 - Central Sales Tax (CST) - Sale of goods (outside state)

go international
WKO / bmwfw

AUSTRIA IST ÜBERALL.

WKO / AUSSENWIRTSCHAFT AUSTRIA

WITHHOLDING TAX

- When applicable
 - On Fee for technical services
 - On Royalty
- Tax rate (India Austria DTAA)
 - 10% if PAN is available
 - 20,6% if PAN is not there



AUSTRIA IST ÜBERALL



WITHHOLDING TAX

- PAN - Permanent Account Number - an identity issued by Indian Income Tax authorities
- Documents required
 - Form 49aa
 - Certificate of Incorporation (Firmenbuchauszug)
 - Apostille (Landesgericht)
 - English Translations of the legal documents
- How to get PAN
 - Applying online
 - Applying through specialists
- In addition to PAN, Tax Residency Certificate (TRC) from Austrian Tax authorities also required for receiving payments



AUSTRIA IST ÜBERALL



SENDING EMPLOYEES TO INDIA

- As employee of Austrian company
 - Business Visa applicable
 - If here for less than 182 days (April-March) and expenses borne by Austrian company
 - No tax liability on Austrian company
 - Else PE (Permanent Establishment) is triggered and local income becomes taxable
- As employee of Indian company (secondment)
 - Employment Visa applicable
 - Employee/local employer does the tax-compliances
 - No tax-exposure for Austrian company

go international
WKO / bmw

AUSTRIA IST ÜBERALL

WKO
AUSSENWIRTSCHAFT AUSTRIA

HAVING AN AGENT - TAX PERSPECTIVE

- When a foreign company is having an agent/representative
 - If all or “substantial” income of the local agent is from the single foreign company, PE for the foreign company might be triggered
 - If the income of agent is from many different sources, then PE risk is not there

go international
WKO / bmw

AUSTRIA IST ÜBERALL

WKO
AUSSENWIRTSCHAFT AUSTRIA

IMPORTS INTO INDIA

- Import-Export Code mandatory for importer
- Most of the items free to import against duties
- Food and beverages
 - FSSAI (Food Safety & Standards Authority of India)
 - Product approval mandatory
 - Import licence mandatory
 - Frequent changes in the guidelines
 - A competent local partner a must

go international
WKO / bmw

AUSTRIA IST ÜBERALL

WKO
AUSSENWIRTSCHAFT AUSTRIA

CUSTOM DUTIES

- Custom Duties - general effective rate 29,44%
- Duties components
 - Basic Duty
 - Excise component (CVD1)
 - VAT component (CVD2)
 - Education Cess
- Duty calculation

Zolltarifnummer	Basiszoll	CVD1	Bildungsst	CVD2	Total
	10	12.5	3	4	29.441

- Excise, VAT and Edu. Cess are also applicable for local manufacture

go international
WKO / bmw

AUSTRIA IST ÜBERALL

WKO
AUSSENWIRTSCHAFT AUSTRIA

IMPORT - USED MACHINERY

Export of used machinery

- Import in India allowed
- Duties applicable as on the new machine
- Conditions to import second hand machinery
 - Certificate from Chartered Engineer
 - Price of new machinery as in the year of its manufacture
 - Current CIF value of new machinery, if purchased now
 - Year of the manufacture of machinery
 - Sale price of the supplier
 - Present condition of the machinery
 - Nature of repairs carried out, if any
 - Expected life span of the machinery

go international
WKO / bmw

AUSTRIA IST ÜBERALL

WKO
AUSSENWIRTSCHAFT AUSTRIA

TEMPORARY IMPORTS

Temporary Import is allowed

- Full duty payable initially
- Declaration for temporary import to be made
- Duty refund based on the period of stay in India
 - Up to 3 months 95%
 - 3 to 6 months 85%
 - 6 to 9 months 75%
 - 9 to 12 months 70%
 - 12 to 15 months 65%
 - 15 to 18 months 60%
 - 18 months and more Nil

go international
WKO / bmw

AUSTRIA IST ÜBERALL

WKO
AUSSENWIRTSCHAFT AUSTRIA

RE-IMPORT AFTER REPAIRS

Reimport of goods after repairs is allowed

- While exporting, goods to be registered with Customs
 - Invoice/Bill of Entry of import to be mentioned
 - Faulty equipment should be there in the invoice

- Customs Duty on reimport on the value of
 - Fair cost of repairs (whether paid or not)
 - Insurance and freight (both ways)

go international
WKO / bmw

AUSTRIA IST ÜBERALL

WKO
AUSSENWIRTSCHAFT AUSTRIA

ATA CARNET PROCEDURE

- Austrian company approaches local Chamber in Austria for Carnet
- Company sends the scan of the Carnet and details of the event/goods to FICCI
- FICCI sends the Guarantee Letter by email (if event is approved one)
- The Austrian company presents the Carnet as well as FICCI Guarantee Letter at the customs.

- Can the goods brought into country under ATA Carnet be sold?
 - Yes, after taking permission from the Custom Authorities and
 - paying the applicable import duties

go international
WKO / bmw

AUSTRIA IST ÜBERALL

WKO
AUSSENWIRTSCHAFT AUSTRIA

