

Daily Economic News Summary: 14 November 2019

1. Finance Ministry to consider shifting dividend distribution tax to investors: Sources

Source: The Hindu, Business Line ([Link](#))

India is considering changes to its dividend distribution tax that will raise returns for investors, according to people familiar with the matter, as authorities try to revive foreign fund inflows. The budget statement, which is due in February, will probably include a proposal to tax dividends once they are paid to shareholders, rather than the current system where the company pays the levy, the people said. That will allow individuals to claim refunds in their home jurisdictions, they added, asking not to be identified as the deliberations are private.

2. PM Modi at BRICS: India world's most open, investment friendly economy

Source: Livemint ([Link](#))

India is the world's most "open and investment friendly" economy, Prime Minister Narendra Modi said in Brazil on 14 November as he wooed the BRICS business leaders and urged them to invest in the country's infrastructure development. Addressing the closing ceremony of the BRICS Business Forum, prime minister Modi said the grouping of five countries had led to economic development despite the global economic slowdown. Terming India a land of limitless opportunities, the prime minister urged the business leaders of the BRICS nations to invest in India, particularly in its infrastructure development. "India is the world's most open and investment friendly economy due to political stability, predictable policy and business friendly reforms," Modi said. Prime minister Modi is in Brazil for the 11th BRICS Summit which will focus on building mechanisms for counter-terrorism cooperation and strengthen India's ties with the world's five major economies.

3. In a first, govt seeks suggestions on income tax rates, other duties

Source: Livemint ([Link](#))

In perhaps the first instance, the finance ministry has kicked off the exercise to formulate the next budget by seeking suggestions on changes in direct and indirect taxes from industry and trade associations. Finance Minister Nirmala Sitharaman, who had to announce additional measures to stimulate a slowing economy within a month of her maiden budget being approved by Parliament, is due to present the annual budget for the financial year 2020-21 on February 1.

While the ministry holds pre-budget consultations with representatives of different sectors and stakeholders, the Department of Revenue in the finance ministry perhaps for the first time put out circular seeking suggestions for changes in income tax rates for both individuals and corporates as well as in indirect taxes such as excise and customs duty.

4. India, Switzerland ink pact on sharing financial information

Source: The Economic Times ([Link](#))

Indian government officials met their counterparts from Switzerland on 13 November to discuss cooperation in tackling black money parked in offshore accounts according to a government release. India has entered into an agreement with Switzerland under which the latter has already begun sharing information on accounts of Indian nationals in Switzerland. Dealing with the issue of black money in foreign jurisdictions has been one of the key priority area for the government. The issue of black money was also one of the key reasons behind the move to demonetise Rs 500 and Rs 1,000 currency notes in November 2016. “This automatic exchange of financial account information will usher a new era of financial transparency as Indian tax administration will now know the details of all bank accounts held by Indians in Switzerland,” said the government release.

5. Indo-US trade meet: Medical devices, GSP among issues to figure

Source: The Economic Times ([Link](#))

Issues pertaining to medical devices, agriculture, and restoration of export incentives by America for domestic players would figure in the meeting of trade ministers of India and the US in Washington, an official said. Commerce and Industry Minister Piyush Goyal is leading an inter-ministerial delegation for the meeting with US Trade Representative Robert Lighthizer. The Indian delegation includes representatives from agriculture ministry, Indian Council of Medical Research, and All India Institute of Medical Sciences. Both the sides would discuss the outstanding bilateral trade issues with a view to arrive at a common ground on a mutually beneficial basis, the official said. The two sides are negotiating a trade package to promote two-way commerce.

6. BRICS Summit: Modi meets Xi, says there's new direction to India-China ties

Source: Business Standard ([Link](#))

Prime Minister Narendra Modi on 13 November met Chinese President Xi Jinping here and said there has been a "new direction and new energy" in bilateral ties after their second informal

summit in Chennai as the two leaders discussed ways to further strengthen India-China relations, including on the trade front. Modi, who is in Brazil for the 11th BRICS Summit which will focus on building mechanisms for counter-terrorism cooperation and strengthen India's ties with the world's five major economies, met Xi on the sidelines of the meeting, over a month after the two leaders held their second informal summit in India. The two leaders held talks on a wide range of bilateral issues. They met for the second informal summit at Mamallapuram, a coastal town near Chennai, on October 11-12 and discussed a range of bilateral issues, vowing to jointly combat terrorism and radicalisation, and expand bilateral trade and investment. The meeting between Modi and Xi in the Brazilian capital comes days after India decided not to join China-backed mega Regional Comprehensive Economic Partnership (RCEP) over unresolved "core concerns", with India saying the proposed deal would have adverse impact on the lives and livelihoods of all Indians.

7. Future group ties up with US food major Dole for packaged food distribution

Source: Business Standard ([Link](#))

The Kishore-Biyani-led Future Group on 13 November said it had entered into a distribution agreement with American food major Dole, the world's largest producer of fruits and vegetables. The partnership will see the retail major distribute the packaged food products of Dole by December-January at its outlets in Mumbai, Delhi, and Bengaluru in the first phase, Pier Luigi Sigismondi, president, Dole Packaged Food Worldwide, said in a conversation. The partnership, he said, would be subsequently expanded to include local sourcing and manufacturing, as Dole prepares to scale up its presence in the country. Distribution will also be taken to over 30 cities in the country, covering over 750 stores of the Future Group. "We used to trade in fresh produce in the past in India. But with the growth of the packaged food market and the growing health consciousness of people here, there is potential for companies such as ours to tap into this trend," Sigismondi said.

8. Tribunal posting: Amended Finance Act rules struck down

Source: Financial Express ([Link](#))

Striking down the rules framed under the amended Finance Act 2017 for appointments to tribunals, the Supreme Court has directed the government to reframe fresh norms for such appointments on the basis of existing statutes and not the rules framed under the Finance Act of 2017, which was passed as a Money Bill. A five-judge Constitution Bench led by Chief Justice

Ranjan Gogoi directed the law ministry to conduct an impact study and submit a report to the apex court. It said that there is a need-based requirement to conduct 'Judicial Impact Assessment' of all the tribunals so as to analyse the ramifications of the changes in the framework of tribunals as provided under the Finance Act, 2017. However, it referred the issue challenging the validity of passage of Finance Act 2017 as Money Bill to a larger bench of seven judges.