


IVCA
IVC ASSOCIATION
THE INDIAN PRIVATE EQUITY & VENTURE CAPITAL ASSOCIATION

To,

04th August, 2014

Mr. Shaktikant Das
Secretary, Department of Revenue
Ministry of Finance
New Delhi

Dear Sir,

Re:

- I. Pass-through status of Alternative Investment Funds(AIFs)
- II. Deeming provision for Offshore Private Equity Funds-' capital asset'

Dear Sir,

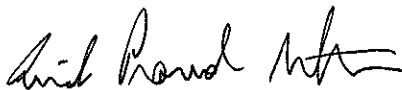
IVCA congratulates the Ministry of Finance for extending pass-through status to REITS and Infrastructure Investment Trusts. Given the need for promoting long-term and stable capital for financing entrepreneurship and economic growth, the justification used by the Ministry to grant tax pass-through status to REITS and InvITs is equally applicable to Alternative Investments (AIF) registered with SEBI.

IVCA also congratulates the Ministry of Finance to grant 'capital asset' status to investments of Foreign Portfolio Investors (FPIs). The same justification rightly used by MOF is equally applicable to offshore private equity and venture capital funds.

In view of the above and to promote growth and employment financed by AIFs and offshore PE/VC funds, IVCA sincerely requests the Ministry of Finance to please issue clarifications and amendments to enable pass-through and a suitable deeming provision for 'capital asset' . We are pleased to attach our analysis and the changes needed for your kind consideration.

Our Association will be pleased to discuss the above.

Respectfully,



Arvind Mathur
President, IVCA
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