

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO. 1144**

TO BE ANSWERED ON MONDAY, THE 26th JULY, 2021

SRAVANA 4, 1943 (SAKA)

GLOBAL MINIMUM TAX

1144. DR. T.R.PAARIVENDHAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is true that around 130 countries have recently backed a global minimum tax as part of a worldwide effort to keep multinational firms from dodging taxes by shifting their profits to countries with low rates as announced by the Organization for Economic Cooperation and Development;
- (b) if so, the details thereof;
- (c) whether India has joined and backed the said move as signed by 130 countries; and
- (d) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SH. PANKAJ CHAUDHARY)

(a), (b), (c) and (d):

Yes Sir, on 1st July, 2021 majority of the members of Organisation for Economic Cooperation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (Inclusive Framework) (130 out of 139 member jurisdictions including India) adopted a high-level statement which includes continuing work for an agreement on a global minimum tax with a rate of at least 15% on a country-by-country basis.

The minimum corporate tax is intended to ensure that large and profitable multinational enterprises pay a certain minimum level of tax on their income. It is targeted primarily at low or no tax jurisdictions and seeks to curb unhealthy tax competition, profit shifting and treaty abuse.

The IF member jurisdictions have agreed to carry out further work so as to reach an agreement on a minimum corporate tax regime. India is actively participating in this work.
