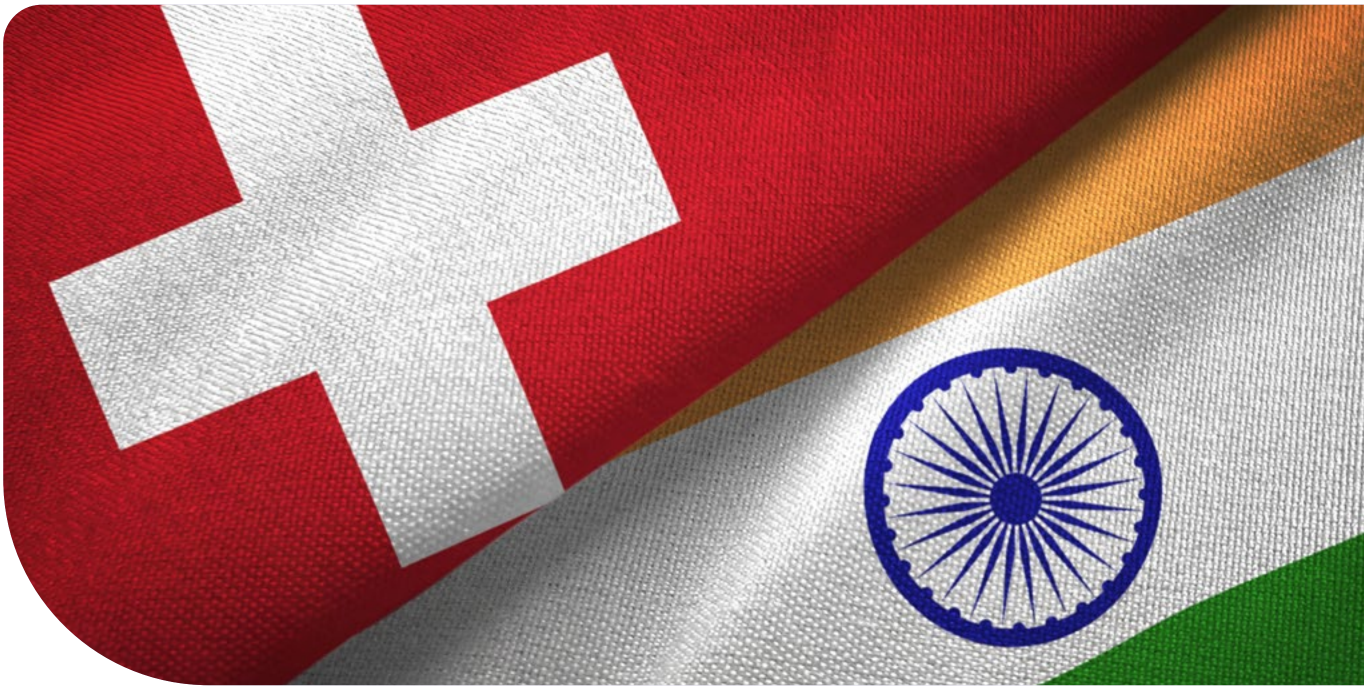


Double taxation agreement between Switzerland and India: Suspension of the most-favoured-nation clause

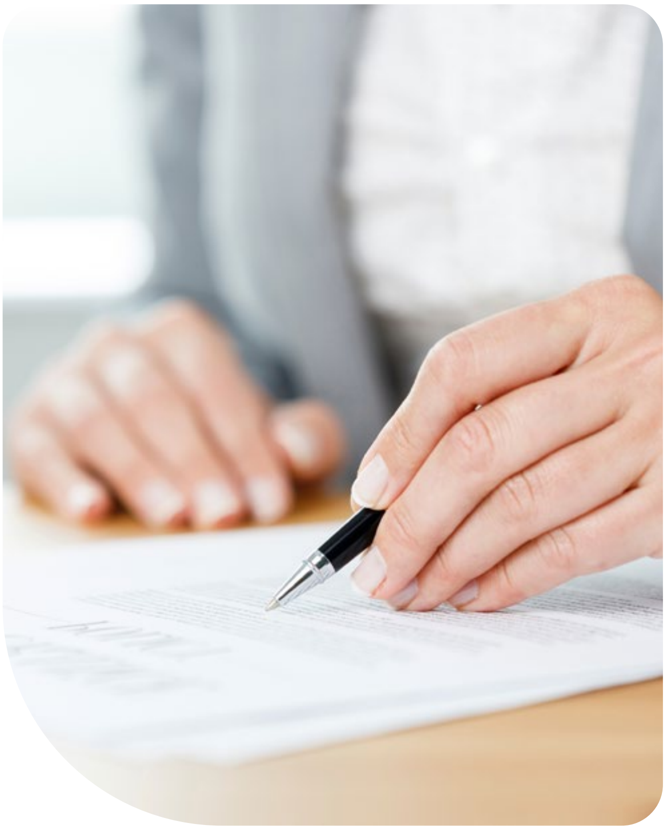
Switzerland suspends the application of the most-favoured-nation clause based on a protocol to the tax treaty between Switzerland and India. Dividend distributions from Switzerland to India until December 31, 2024, will still benefit from this clause.

In general, dividend distributions are subject to Swiss withholding tax of 35%. If requirements are met, such Swiss withholding taxes may (partially) be reclaimed or a reduction at source via notification procedure may be applied based on the respective tax treaty.

According to the current double tax treaty between Switzerland and India, simplified a base/residual/ non-refundable tax rate of 10% applies to dividend payments by a Swiss company to its Indian parent company. Due to the agreed most-favoured-nation/MFN clause, the Swiss federal tax authorities applied a base tax rate of 5% since 2018. Due to different interpretation of the MFN clause by India (decision of the Indian Supreme Court) respectively a lack of reciprocity, Switzerland will again apply the base tax rate of 10% from January 1, 2025, as per the current tax treaty. However, dividend distributions from 2018 through end of 2024 will continue to benefit from a base rate of 5%.

Thus, concluding on an interim dividend to be paid by a Swiss subsidiary to its Indian parent company with a due date until December 31, 2024, may generate a 5% cash tax saving.

Grant Thornton Switzerland is happy to advise you.



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