

BOMBAY STOCK EXCHANGE
BROKERS' FORUM (BBF)

CONNECTS JAPAN



In support with



Embassy of India
Tokyo, Japan

HIGHLIGHTS OF BBF GLOBAL CONNECTS' TOUR - JAPAN 2019

- The Indian delegation consisted of office bearers of BBF, an Indian Custodian, an Indian Tax expert, an Indian Mutual Fund representative and a Stock Exchange representative. Attempt was made to have a composition that covered the entire gamut of investing in India with a particular emphasis on Indian Capital and Financial Markets.
- The venue was the JSDA conference room at Tokyo, Japan. All attendees were invited by our local partner viz. JSDA, since their understanding of the home market would be deeper than any other agency.
- Tokyo seminar had around 90 attendees.
- Program was supported by the Indian Embassy in Tokyo. The Indian ambassador was kind enough to grace the occasion with his personal presence.

KEY OBSERVATIONS

- Securities firms in Japan follow an omnibus structure where the client's funds and securities are held by the securities firms and they invest in dozens of other jurisdictions in the name of the securities firm without needing to register their final clients.
- Among the High Net-worth Individual (HNI)'s of foreign jurisdictions, there is a significant resistance in registering with the income tax authority of any other country and therefore they find taking Indian Permanent Account Number (PAN) extremely challenging.
- There were many tax related queries. The attendees were happy to be made aware of the Indian Double Tax Avoidance Treaty (DTAA) with Japan and the benefits under the same.
- The ageing population and very low interest rates in Japan lead to most attendees being highly curious of the higher interest rates in India combined with a young population.
- The option of coming in the International Financial Services Centre (IFSC) at Gujarat International Finance Tec-City (GIFT) was very much appreciated. However, the interest towards investing in Indian Equities rather than Derivative instruments was more.
- There was repeated interest shown in investing in Indian Fixed Income Securities starting with Indian Government Securities and queries on the how were commonplace. There were also queries on style and manner of hedging the currency risks.
- Some foreign entities who had ventured into India in the past have not had a good experience primarily because of lack of local domain knowledge. However, they are still open to consider India once more.



Indian Delegation with H.E. Shri Sanjay Kumar Verma, Ambassador of India to Japan