

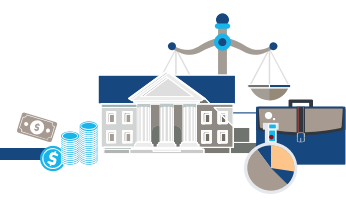
Agreement between EFTA States and India

India inked a trade agreement ('Agreement') with the member-nations of the European Free Trade Association ('EFTA') States, viz. Iceland, Liechtenstein, Norway, and Switzerland on March 10, 2024.

The Agreement aims to facilitate trade between the parties by providing guidelines on various aspects of trade in goods and establishing mechanisms for cooperation and dispute resolution. A gist of the important aspects of the Agreement is tabulated here.

	Particulars
Object	<ul style="list-style-type: none"> To achieve liberalization of trade and contribute to harmonious development of world trade. To enhance investment opportunities. To generate employment opportunities.
Expectations¹	<ul style="list-style-type: none"> Increase in Foreign Direct Investments ('FDI') to India by USD 100 billion in next 15 years (USD 50 billion in next 10 years, and additional USD 50 billion in the succeeding 5 years). To create 1 million direct employments.
Trade Conditions	<ul style="list-style-type: none"> The Agreement outlines the procedures and conditions for various trade measures aimed at addressing unfair trade practices, protecting domestic industries and resolving trade disputes among the parties involved. Provisions for trade in goods and services are framed to facilitate trade among the parties while ensuring fair treatment and addressing potential issues such as denial of benefits and restrictions on payments and transfers. Dispute resolution clause of this Agreement shall not apply to violations related to the investment promises.
Trade Facilitation	<ul style="list-style-type: none"> Simplifying customs procedures, promoting cooperation in international conventions on trade facilitation and cooperating within the framework of a Sub-Committee on Trade Facilitation. A Sub-Committee is established to address various matters arising under the Agreement, including monitoring implementation, exchanging information, and addressing trade-related issues.

¹ <https://pib.gov.in/PressReleaseDetail.aspx?PRID=2013169>

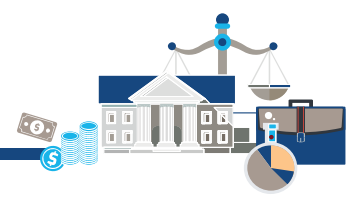


	Particulars
Customs Duties	<ul style="list-style-type: none"> To be levied in accordance with tariff commitments or most-favoured-nation rate, whichever is lower.
Technical barriers to trade	<ul style="list-style-type: none"> Provisions have been incorporated to streamline technical regulations and standards, enhance cooperation and reduce trade barriers among the Parties.
Foreign Direct Investment ('FDI')	<ul style="list-style-type: none"> India pledges to maintain a favourable investment climate while addressing security or public order concerns. EFTA States commit to promote FDI into India to achieve the shared objectives. Mechanisms for dispute resolution and remedial measures in case of unforeseen events have been framed.
Accession, Withdrawal and Expiration	<ul style="list-style-type: none"> Any State becoming a member of EFTA may accede to this Agreement. Each Party may withdraw from this Agreement by means of written notification. Withdrawal shall take effect six months after the receipt of notification. If India withdraws, the Agreement shall expire.

Dhruva Comments:

This Agreement with non-EU members, will prove a fillip to trade (in goods and services) between both sides, which presently stands at US\$ 6.1 billion². The Agreement is not a Bilateral Investment Treaty yet, sets out a clear mandate that India intends to attract US\$ 100 billion over the 15 years period from the EFTA States. While the Agreement will alter the duties regime for the tariff lines between the Parties (reduction of tariffs on trade of goods and, provide India zero duty access for a large portion of its exports), the anticipated investment will spur, economic activities. A novel article in this Agreement concerns Trade and Climate Change.

²<https://www.efta.int/Free-Trade/news/EFTA-India-Trade-and-Economic-Partnership-Agreement-TEPA-Two-Ministerial-gatherings-find-common-ground-run-towards-conclusion-539346>



ADDRESSES

Mumbai

1101, One World Centre,
11th Floor, Tower 2B,
841, Senapati Bapat Marg,
Elphinstone Road (West),
Mumbai 400 013
Tel: +91 22 6108 1000 / 1900

Ahmedabad

402, 4th Floor, Venus Atlantis,
100 Feet Road, Prahladnagar,
Ahmedabad 380 015
Tel: +91 79 6134 3434

Delhi / NCR

305-307, Emaar Capital Tower - 1,
MG Road, Sector 26, Gurgaon
Tel: +91 124 668 7000

Pune

305, Pride Gateway,
Near D-Mart, Baner,
Pune - 411 045
Tel: +91-20-6730 1000

Kolkata

4th Floor, Unit No 403, Camac Square,
24 Camac Street, Kolkata
West Bengal – 700016
Tel: +91-33-66371000

Abu Dhabi

Dhruva Consultants
1905 Addax Tower, City of Lights,
Al Reem Island,
Abu Dhabi, UAE
Tel: +971 26780054

Dubai

Dhruva Consultants
Emaar Square Building 4, 2nd Floor,
Office 207, Downtown,
Dubai, UAE
Tel: +971 4 240 8477

KEY CONTACTS

Dinesh Kanabar

Chief Executive Officer
dinesh.kanabar@dhruvaadvisors.com

Niraj Bagri

niraj.bagri@dhruvaadvisors.com

Ranjeet Mahtani

ranjeet.mahtani@dhruvaadvisors.com

Kulraj Ashpni

kulraj.ashpni@dhruvaadvisors.com

Dhruva Advisors has been consistently recognised as the “India Tax Firm of the Year” at the ITR Asia Tax Awards in 2017, 2018, 2019, 2020 and 2021.

Dhruva Advisors has also been recognised as the “**India Disputes and Litigation Firm of the Year**” at the ITR Asia Tax Awards 2018 and 2020.

WTS Dhruva Consultants has been recognised as the “**Best Newcomer Firm of the Year**” at the ITR European Tax Awards 2020.

Dhruva Advisors has been recognised as the “**Best Newcomer Firm of the Year**” at the ITR Asia Tax Awards 2016.

Dhruva Advisors has been consistently recognised as a **Tier 1 Firm in India for General Corporate Tax** by the International Tax Review’s in its World Tax Guide.

Dhruva Advisors has been consistently recognised as a **Tier 1 Firm in India for Indirect Taxes** in International Tax Review’s Indirect Tax Guide.

Dhruva Advisors has also been consistently recognised as a **Tier 1 Firm in India for its Transfer Pricing** practice ranking table in ITR’s World Transfer Pricing guide.

Disclaimer:

The information contained herein is in summary form and is therefore intended for general guidance only. This publication is not intended to address the circumstances of any particular individual or entity. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. This publication is not a substitute for detailed research and professional opinions. Before acting on any matters contained herein, reference should be made to subject matter experts, and professional judgment needs to be exercised. Dhruva Advisors LLP cannot accept any responsibility for loss occasioned to any person acting or refraining from acting as a result of any material contained in this publication

