

Brazil-India Double Taxation Agreement

Executive enacts protocol signed in 2022, changing taxation between countries

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The Executive Branch published Decree No. 12,667, which changes taxation between Brazil and India, with effects applicable to taxable events occurring as of January 2026.

In addition, the document also established mechanisms to limit the benefits of the Agreement, in line with the OECD minimum standard.

The key amendments are listed below:

	Current Provisions	Provision from 2026
Dividends	<ul style="list-style-type: none">▶ Taxation without limitation in the shareholder's country of residence▶ Withholding tax capped at 15%	<ul style="list-style-type: none">▶ Taxation without limitation in the shareholder's country of residence▶ Withholding tax capped at:<ul style="list-style-type: none">• 10% if the beneficial owner directly holds at least 20% of the capital of the dividend-paying company for one year• 15% in other cases
Interest	<ul style="list-style-type: none">▶ Taxation without limitation in the creditor's country of residence▶ Withholding tax capped at 15%	<ul style="list-style-type: none">▶ Taxation without limitation in the creditor's country of residence▶ Withholding tax capped at:<ul style="list-style-type: none">• 10% if the beneficial owner is a bank and the loan is granted for at least five years for financing equipment purchases or investment projects• 15% in other cases

Interest on Net Equity (JCP) shall be treated as interest for treaty purposes



<p>Technical Services</p>	<ul style="list-style-type: none"> ▶ Taxation without limitation in the right-holder's country of residence ▶ Withholding tax capped at: <ul style="list-style-type: none"> • 25% for industrial or commercial trademarks • 15% in other cases 	<ul style="list-style-type: none"> ▶ Taxation without limitation in the right-holder's country of residence ▶ Withholding tax capped at: <ul style="list-style-type: none"> • 15% for industrial or commercial trademarks • 10% in other cases
<p>Technical Services</p>	<ul style="list-style-type: none"> ▶ Treated and taxed as royalties 	<ul style="list-style-type: none"> ▶ Taxation without limitation in the service provider's country of residence; ▶ Withholding tax capped at 10% in other cases ▶ Exclusions: This provision does not apply to payments made: <ul style="list-style-type: none"> • to an employee of the payer • for teaching at or by an educational institution • by an individual for personal services rendered by another individual
<p>Capital Gains</p>	<ul style="list-style-type: none"> ▶ Sale of immovable property: taxed where the property is located ▶ Sale of movable property (including shares): taxed in both countries 	<ul style="list-style-type: none"> ▶ Sale of immovable property: taxed where the property is located ▶ Sale of movable property: taxed in both countries ▶ Sale of shares: taxed where the company is located
<p>Methods to Eliminate Double Taxation</p>	<ul style="list-style-type: none"> ▶ General rule: deduction of foreign tax paid ▶ Interest and Royalties: 25% tax sparing ▶ Dividends: exemption 	<ul style="list-style-type: none"> ▶ Deduction of foreign tax paid

