



WIDE ANGLE

The Ventura Pranas Quarterly Newsletter

July - September 2025

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ANNOUNCEMENTS

Welcome to the next issue of our newsletter. We have a few important announcements to make.

A Recap on the 9/15 Deadline Season

This September 15th deadline proved to be one of the busiest seasons we've experienced, with overlapping requirements in both the US and India creating a true flurry of activity. Between US corporate (C-Corp) and individual filings, along with the advanced and estimated tax deadlines in both jurisdictions, the pace was intense. We are grateful to our clients who worked closely with us to meet these demands, and we kindly remind everyone to share their data as early as possible as we look ahead to the October 15th deadline. Early preparation helps us ensure smoother filings and timely compliance for all.

Introducing Our Global Wealth 360 Service

Throughout the year, we've seen more of our clients going through minor and major exits, expanding globally and generally having increasingly complex finances.

As such, we created our Global Wealth 360 service which allows you to:

Revolutionalise the Family Office-like experience, with one tax and accounting partner, all in one place. Our secure, integrated approach organizes all your investment documents and financial data across assets, entities, and jurisdictions. We support you on all your tax filings, accounting and statutory needs, while giving you complete visibility and control over your financial landscape.

With real-time performance insights for your top and bottom performing assets, clear tax and cashflow visibility, and streamlined, actionable views that better decision making, we can help you take a global 360° look over your wealth.

Interested in getting more control over your assets? Email us at contact@venturapranas.com for more details.

Office Closure for Diwali Break

Our offices will be closed on 20-21 October 2025 as we celebrate Diwali. This is a special time for our team to spend with family and loved ones, and we wish all who are celebrating a joyful and prosperous Diwali. We appreciate your understanding and encourage clients to plan accordingly for any upcoming deadlines during this period.

Office Closure for Our Annual Rest & Recuperation Break

Our annual Rest & Recuperation break will take place on 24 December 2025-4 January 2026. During this time, our office will be fully closed so that our team can take a well-deserved pause, recharge, spend time with their loved ones and return with fresh energy for the year ahead.

As these dates are sacred for us, we kindly ask clients to plan year-end work with this in mind. Following the October 15th deadline, we will begin reaching out to align on priorities, with the goal of completing key year-end work before the break. This way, we can ensure a smooth close to the year and allow both our clients and our team to fully enjoy the holiday season.



GST RATE RATIONALISATION (INDIA)

In September 2025, the Government of India initiated a significant reform of GST rates in a move they call a “historic Diwali gift for the nation.” This reform removes the 12% and 28% slabs, turning it into a two-rate system and therefore, simplifying India’s indirect tax regime.

Items have now been merged into two slab rates — 5% and 18% — and introduced a 40% tax slab for demerit or “sin” goods.

Here are some of the major rate changes:

Daily Essentials

| Items | From (%) | To (%) |
|---|----------|--------|
| Hair Oil, Shampoo, Toothpaste, Toilet Soap Bar, Toothbrushes, Shaving Cream | 18 | 5 |
| Butter, Ghee, Cheese & Dairy Spreads | 12 | 5 |
| Pre-packaged Namkeens, Bhujia & Mixtures | 12 | 5 |
| Utensils | 12 | 5 |
| Feeding Bottles, Napkins for Babies & Clinical Diapers | 12 | 5 |

Healthcare Sector

| Items | From (%) | To (%) |
|--------------------------------------|----------|----------|
| Individual Health and Life Insurance | 18 | Exempted |
| Thermometer | 12 | 5 |
| Medical Grade Oxygen | 12 | 5 |
| All Diagnostic Kits & Reagents | 12 | 5 |
| Glucometer & Test Strips | 12 | 5 |
| Corrective Spectacles | 12 | 5 |

Education

| Items | From (%) | To (%) |
|--|----------|--------|
| Maps, Charts & globes | 12 | Nil |
| Pencils, Sharpeners, Crayons & Pastels, Exercise Books & Notebooks | 12 | Nil |
| Eraser | 5 | Nil |

Electronic Appliances

| Items | From (%) | To (%) |
|--|----------|--------|
| Air Conditioners | 28 | 18 |
| Televisions (including LED & LCD TVs), Monitors and Projectors | 28 | 18 |
| Dish Washing Machines | 28 | 18 |

Automobiles

| Items | From (%) | To (%) |
|---|----------|--------|
| Petrol & Petrol Hybrid, LPG, CNG Cars ($\leq 1200\text{cc}$ & $\leq 4000\text{mm}$) | 28 | 18 |
| Diesel & Diesel Hybrid Cars ($\leq 1500\text{cc}$ & $\leq 4000\text{mm}$) | 28 | 18 |
| Three Wheelers | 28 | 18 |
| Motorcycles ($\leq 350\text{cc}$) | 28 | 18 |
| Motor Vehicles for the transport of goods | 28 | 18 |

“Sin” Goods

Special or “sin” goods now have an increased tax rate of 40%, including the following:

| Items | From (%) | To (%) |
|--|-------------|-------------|
| Tobacco/pan masala* | 28 | 40 |
| Aerated waters, caffeinated beverages, and carbonated beverages of fruit drinks / with fruit juice | 28 | 40 |
| Other non-alcoholic beverages | 28 | 40 |
| Motor cars and larger hybrids (beyond small-car thresholds) | 28 | 40 |
| Motorcycles exceeding 350cc | 28 | 40 |
| Aircraft for personal use | 28 | 40 |
| Yachts and vessels for pleasure / sports | 28 | 40 |
| Smoking pipes and cigarette / cigar holders | 28 | 40 |
| Revolvers & pistols | 28 | 40 |
| Admission to casinos, race clubs, and sporting events like IPL | 28 with ITC | 40 with ITC |
| Licensing of bookmakers by race clubs | 28 with ITC | 40 with ITC |
| Specified actional claims (betting, casinos, gambling, horse racing, lottery, online money gaming) | 28 with ITC | 40 with ITC |
| Leasing / renting without operator of goods attracting 40% GST | 28 with ITC | 40 with ITC |

This reform is expected to not only provides consumer relief on essential and commonly used goods but also boost the economy due to higher demand for affordable goods.

However, this transition period is expected to bring some short-term challenges for businesses. Companies will have to re-evaluate their inventories, adjust prices, and may be required to file stock declarations to claim additional ITC or funds.

HIRE BILL (US)

We've had several of our corporate clients come to us on the newly proposed HIRE Bill and the impact it would have on their taxes. So, here's what you need to know.

The **Halt International Relocation of Employment (HIRE) Bill** attempts to amend the IRC to impose an additional excise tax on payments to foreign persons for services provided to US customers.

Proposed in September 2025, this Bill is **not yet law** and so not currently in effect. However, if it does become law, it will come into effect on Jan 1, 2026.

Let's look at the major amendments this Bill makes.

Under new **chapter 50B**, "Outsourcing" is added to Subtitle D of the IRC.

The next major change is **Section 5000E(a)** which imposes a tax which is equal to 25% of the amount paid as an outsourcing payment. This is in addition to the 21% tax that a C Corp would ordinarily be subject to.

Section 5000E(b) defines this payment as any premium, fee, royalty, service charge or other payment made (a) in the ordinary course of trade or business, (b) to a foreign person, and/or (c) with respect to labor or services which benefit directly or indirectly consumers in the USA. **Section 5000E(c)** also clarified a "foreign person" to be any person who's not a United States person.

Let's take an example where your gross income is \$100,000. What are your tax rates pre- and post-HIRE, if passed?

Example 1:

| | Before HIRE | After HIRE |
|---------------------------|-------------|------------|
| Gross Income | \$ 100,000 | \$ 100,000 |
| Outsourcing Payment | \$ (50,000) | N/A |
| Taxable Income before 50B | \$ 50,000 | \$ 100,000 |
| | | |
| Tax Rate | 21% | 21% |
| Tax Rate | \$ 10,500 | \$ 21,000 |
| Excise Tax Rate | | 25% |
| Excise Tax | | \$ 12,500 |
| | | |
| Total Tax | \$ 10,500 | \$ 33,500 |
| Effective Tax | 21% | 67% |

This tax is also not deductible under Section 50(B). Additionally, the penalty for not reporting and paying the tax can be up to another 50% of tax left unpaid under the amended Section 6651(a).

So, what can we see from the basic understanding of this Bill as it stands right now?

Its impact on the effective rate of tax to US companies making outsourcing payments to Indian or foreign providers appears to be far reaching.

Corporates who only use the US entity as a marketing agent to collect and remit funds and the contracts and held and written by the Indian companies may stand to be less impacted by this tax. The greater the value addition from India, greater the worldwide distribution of consumers and greater the control over contracts the Indian company has, the less likely this tax would apply.

In the above context, we believe that our clients who have separately held companies in US and India, Indian parent companies with limited activity in the US stand to be affected to a lesser extent than a US parent – Indian sub operations. Those entities who control the client relationships from outside the US and have independent relationships with clients (independent of the US company) appear to be more insulated.

This Bill probably places an onus on companies to take another look at their Master Services Agreement and transfer pricing agreements to see what changes might be worth a relook in the event the Bill becomes Law. Even if it does not become Law or does in some modified form, it certainly displays the sentiment in the United States and amongst legislators that it is becoming increasingly inward looking and less open to international trade.

*** Please note that this is the initial read of the proposed Act. More regulations may be introduced that make it harder to operate in this space.**

THE ONE BIG BEAUTIFUL BILL ACT (OBBBA) (US)

July 2025 was a big moment for US tax when President Trump signed into law the One Big Beautiful Bill Act (OBBBA). This Act changed a multitude of policies, some minor and some major, that may change the way you approach US tax. As such, we're highlighting some of the significant changes made to existing US tax laws that you need to know.

Individual Tax Cuts and Business Deductions

Several core elements of tax cuts have now been made permanent, ensuring that lowered individual income tax brackets established by the 2017 Tax Cuts and Jobs Act (TCJA) do not sunset after 2025. The current top federal tax rate will remain 37%. The bill also preserves the expanded standard deduction, from \$12,000 to \$15,750 for individuals and from \$18,000 to \$23,625 for head of household.

Section 110005 makes the 20% Qualified Business Income (QBI) deduction under IRC §199A permanent, allowing eligible business owners (S corps, LLCs, sole proprietors) to deduct up to 20% of their business income from federal tax, subject to wage and income thresholds.

Expanded QSBS Gain Inclusion

Qualified Small Business Stock (QSBS) has now become more accessible and valuable for long-term investors. So, what's changed?

Tiered gain exclusion is now based on holding periods, e.g. 50% exclusion if held for 3 years, 75% exclusion if held for 4 years, 100% exclusion if held for 5 years. The per-issuer limit has been increased from \$10 million to \$15 million of eligible gain exclusion, and the qualified small business asset threshold has risen from \$50 million to \$75 million.

Global Intangible Low-Taxed Income (GILTI)

Major changes happened to GILTI, including a new name and framework. It's now to be known as Net CFC Tested Income and its core formula has been revised by removing the Net Deemed Tangible Income Returns. There's also a new tax rate with permanent 12.6% corporate effective rate kicking in starting in 2026.

Only §250(a) GILTI deduction and directly allocable expenses can reduce GILTI, with allocation of interest or R&E to GILTI category shifting to U.S. income. This will likely reduce FTC capacity for many taxpayers.

The new Section 951B also expands Subpart F and GILTI to include foreign-controlled U.S. shareholders and CFCs, and deemed paid FTC jumps from 80% to 90%, starting in 2026.

As such, companies with CFC structures should start reviewing their tax positions now to prepare for this new landscape, as these changes impact foreign tax credit utilization.

Foreign-Derived Intangible Income (FDII)

Similarly to GILTI, FDII also has a new name: **Foreign-Derived Deduction Eligible Income (FDDEI)**. Its new permanent effective rate reset is now 14%.

OBBBA also removes the Deemed Intangible Income (DII)/Qualified Business Asset Investment (QBAI) and the Foreign Derived Ratio components, making it easier to calculate. And there's now a refined scope with eight categories being excluded from DEI and fewer deductions being allowed to be allocated to DEI.

The aim of these changes was to simplify the FDII regime and reset tax incentives for U.S. exporters and multinational groups.

Clean Energy Tax Credits Repeal

Unfortunately, one of the biggest changes from the OBBBA is the repeal of most clean energy tax credits. There is a full-scale rollback of federal tax incentives tied to clean energy, not only for businesses and developers, but also for individuals and homeowners.

These tax incentives include:

- New and used EV tax credits
- Alternative fuel vehicle and refueling station credits
- Clean hydrogen production credits
- Section 45Q carbon capture credit
- Transferability of clean energy tax credits
- Residential clean energy and energy efficient home improvement credits

Introducing Trump Accounts

OBBBA introduced a completely new initiative in their legislation: Trump Accounts. Similar to Roth IRAs in structure, Trump Accounts are tax-exempt savings accounts for qualifying children, effective for tax years beginning after December 31, 2025. They are designed to promote long-term investment and financial growth for children born after 2024.

Children born 2025–2028 get a \$1,000 starter contribution from the government when an account is established. There is a \$5,000 annual cap for contributions, adjusted for inflation after 2027, with no deductions allowed for personal contributions until the beneficiary turns 18. Distributions before age 18 are generally not allowed (with some exceptions), and special rollover into an ABLE account at age 17 is allowed, preserving tax advantages.

What does this all mean for you?

It's clear that OBBBA significantly changes the way we should approach US tax and compliance, whether you're filing as individual or corporate.

For more information, take a look at our previous newsletter dedicated to the OBBBA which highlights even more of the policies that you should be aware of.

If you need any guidance or assistance in figuring out how to navigate OBBBA, feel free to reach out to us at contact@venturapranas.com.

R&D AMENDMENTS UNDER OBBBA (US)

Another major change that OBBBA has made for corporates is to the treatment of Research & Development (R&D) spends and how they are taxed.

Whereas the old law required amortization and capitalization over 5 years for specified research expenditures (SREs) and 15 years for research performed outside the U.S., the new law permanently reinstates immediate expensing of domestic research and experimental expenditures, with an election to amortize certain expenditures. Any amount paid or incurred in connection with the development of any software is treated as an R&D expenditure.

This new law applies to amounts paid or incurred in taxable years beginning after Dec. 31, 2024.

What does this mean for you now?

Basically, Section 174A in OBBBA has made domestic R&D costs immediately deductible, leading to a new “transition rule” that allows small businesses to amend their 2022-2024 tax returns to deduct domestic R&D costs retroactively. However, all amended returns must be filed before July 4, 2026.

Amending these returns may be beneficial for you and could increase the NOLs carried forward into future years or result in a refund in the prior year if a tax was owed.

Who is eligible?

This opportunity is exclusive to small business taxpayers with average annual gross receipts under \$31M for the three tax years preceding 2025.

A few things to note:

This law only impacts expenses incurred domestically (i.e. in the USA). If more of your expenses were foreign in nature, these changes will not impact you.

You may also choose to not amend your returns if the results will not be favorable to you. The alternatives are:

1. Accelerating the deduction of all remaining unamortized amounts from the 2022-2024 tax years over the next one or two years
2. Continuing to amortize the 2022-2024 costs without accelerating

Need help figuring if this is the right option for you?

If you would like us to evaluate your situation and prepare the amended returns, if found a favorable option, please email us at contact@venturapranas.com.

YOU ASK, WE ANSWER (BOI Regulatory Update) (US)

After much debate, the Beneficial Ownership Information (BOI) reporting requirements to FinCEN is now mandatory for all foreign companies, as of March 2025.

On 2nd March 2025, the US Treasury signaled it would hold enforcement actions under the Corporate Transparency Act (CTA) while revising the BOI regime.

On 21st and 26th March 2025, FinCEN an Interim Final Rule (IFR) effective immediately that exempts all domestic entities (companies formed in the U.S.) and their owners from BOI reporting, and redefines who is considered a reporting company.

Q1. Who exactly is considered a reporting company?

A **foreign reporting company** is defined as an entity formed under foreign law that registers to do business in any U.S. State or territory by filing with a Secretary of State or similar office.

A **domestic entity** is one created in the U.S. by filing with a Secretary of State (e.g. new LLC, corporation). Under IFR, such entities are no longer considered reporting companies.

For BOI purposes only, a **US Person** includes U.S. citizens or nationals, lawful permanent residents (green card holders), or individuals meeting the IRS substantial presence test. They are exempt, and are neither required to report BOI, nor must foreign reporting companies include them in their reports.

Q2. What if a non-resident incorporates a US entity?

If a non resident (individual or foreign company) forms a new U.S. entity (LLC, corporation, etc.) through state filings, that company is classified as domestic, hence fully exempt from BOI reporting.

Q3. When is BOI filing required?

Only foreign entities that register to do business in the U.S. are subject to BOI reporting. These include foreign LLCs, corporations, or partnerships formed abroad, and filing registration documents with a U.S. state (similar offices count too). They must also not qualify for other statutory exemptions (e.g., banking, public companies).

Q4. What are the filing deadlines?

Foreign reporting companies registered **before March 26, 2025** must file no later than April 25, 2025 (i.e. 30 calendar days from IFR publication date).

Foreign reporting companies registered on or after March 26, 2025 must file within 30 calendar days of the earlier of when it receives confirmation (actual notice) that its registration is effective, or when the registration becomes publicly available on a state database.

If there are any updates or corrections to be made, it is required within 30 calendar days from the date of change/discovery or by April 25, 2025, whichever is later for pre IFR entities.

Q5. What do I need to report?

A. Company Self Details:

- Legal name, any trade/DBA names,
- U.S. principal place of business address (or U.S. correspondent or agent),
- Foreign jurisdiction of formation, initial U.S. state registration jurisdiction,
- IRS EIN or foreign tax ID number and jurisdiction.

B. Beneficial Owners (only non U.S. persons):

- Individuals with $\geq 25\%$ ownership or substantial control.
- For foreign pooled investment vehicles (PIVs): report only the non U.S. individual with greatest control, if multiple exist; skip reporting if all controllers are U.S. persons.

C. Company Applicant(s):

- Required for foreign entities first registered on or after January 1, 2024.
- Report details (name, DOB, address, ID) of the individual(s) who filed the registration documents or directed the filing.

Q6. Are there any penalties for not filing the BOI report?

Late filings can accrue civil penalties of \$500 per day. In extreme cases, there may be criminal penalties up to \$10,000 fine and/or 2 years imprisonment can apply in extreme cases.

Q7. How do I file the BOI report?

If you are filing the BOI yourself, you can do so electronically through a secure filing system available via FinCEN's BOI E-Filing website. at this link: <https://boiefiling.fincen.gov>.

Example #1: A US Subsidiary incorporates in California with an Indian Parent

Let's break this down. Here's the scenario: A subsidiary is incorporated as a Corporation (Inc.) in California, USA. The parent company is incorporated and based in India.

According to the definitions provided, a California-incorporated corporation is a domestic U.S. entity because it is formed under U.S. state law. Domestic entities are exempt from Beneficial Ownership Information (BOI) reporting, even if they are wholly owned by a foreign parent company.

Thus, no BOI filing is required, regardless of its foreign parentage. BOI filing would only be required if the Indian parent company itself registers directly in California as a foreign company, rather than forming a separate domestic subsidiary.

Example #2: A German Company Registers Directly in California

Here's a scenario where a company formed in Germany wants to do business in California. Instead of setting up a U.S. subsidiary (like forming a Delaware LLC), it registers directly with the California Secretary of State as a foreign entity doing business in California. This means the company must file a BOI report.

But if the German company first forms a U.S.-based LLC (a domestic entity) and does business through that LLC, the foreign parent company does not directly report BOI; the domestic LLC does (if required).

Conclusion

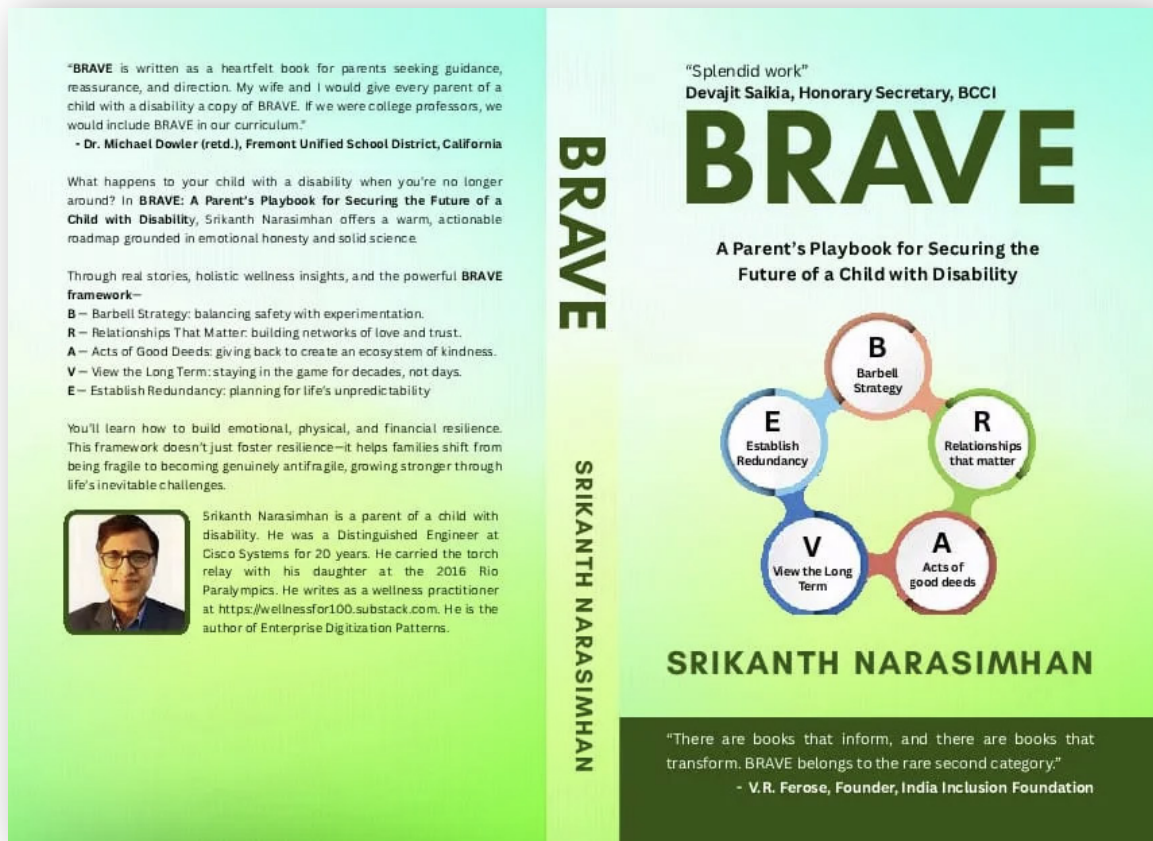
All in all, as of March 2025 under the Interim Final Rule, FinCEN has currently suspended enforcement for domestic entities and U.S. persons, but foreign reporting companies remain subject to penalties. A final ruling is expected later in 2025, so keep an eye out for potential updates as these details may very well change.

BRAVE BY OUR CLIENT, SRIKANTH NARASIMHAN

In this issue, we'd like to draw attention to a recently published book that offers valuable insights for families navigating the journey of raising a child with a disability: **BRAVE: A Parent's Playbook for Securing the Future of a Child with Disability** by Srikanth Narasimhan.

Written with both compassion and practicality, **BRAVE: A Parent's Playbook for Securing the Future of a Child with Disability** offers parents guidance on navigating the complex decisions that come with planning for their child's future. Blending personal insight with actionable strategies, the book addresses topics such as building support systems, preparing for transitions, and fostering independence. At its heart, it's more than just a playbook, it's a source of encouragement and empowerment for families committed to creating a secure and fulfilling path forward for their children.

It's now available for purchase on Amazon.in, Amazon.com, Flipkart and Notion Press.



Discount for Ventura Pranas' Clients

Our clients can get **15% off their purchase** of BRAVE on **Notion Press** when they use code **"VENTURA"** (all capitals). Here are the steps to redeem this discount:

- 1. Add the book to your cart:** On the Notion Press website, add the book, "BRAVE" to your shopping cart.
Link: <https://notionpress.com/in/read/brave-a-parent-s-playbook-for-securing-the-future-of-a-child-with-disability>
- 2. Proceed to checkout:** Navigate to your shopping cart and start the checkout process.
- 3. Enter the coupon code:** Look for a field or box labeled "Coupon Code" or "Discount Code" on the checkout page.
- 4. Apply the code:** Enter your unique coupon code "VENTURA" into the field and click "Apply" or a similar button.
- 5. Review the discount:** Verify that the 15% discount from the coupon has been applied to your total order.
- 6. Complete the purchase:** Finish the checkout process by entering your payment details and completing the order.

PRABHA'S OFFICE LOCATIONS & APPOINTMENTS



Our director, Prabha Srinivasan will be available for appointments in Singapore, New York and Bay Area.

Singapore:

October 27 and November 18

New York:

October 28-November 6

Bay Area/Palo Alto:

November 7-November 16

For appointments outside of these windows, Prabha will be available at our Chennai office.

To book an appointment, email us at ea@venturapranas.com, along with details of what you would like to discuss and your time zone, so we can schedule the call or appointment for an appropriate time. Or you can email Prabha directly at



CONTACT US

Visit us at www.venturapranas.com to learn more.

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