

India will repeal the digital advertising tax for foreign companies.

The decision takes effect on April 1, 2025, and is part of efforts to ease trade disputes with the United States. Washington had previously criticized the tax, calling it discriminatory as it only affected foreign companies. President Donald Trump had threatened retaliatory tariffs starting April 2, causing concern among Indian exporters.

The tax required foreign companies advertising in India to pay 6% of their revenue to the state. Indian firms operating in the same sector were exempt from this levy, which led to dissatisfaction from the U.S.

The repeal of the tax is one of the steps toward concluding a trade agreement between India and the U.S., which was agreed upon during Prime Minister Narendra Modi's visit to Washington. By 2030, trade turnover between the two countries is expected to reach \$500 billion.