

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1820

ANSWERED ON:19.11.2010

DUAL TAXATION

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Will the Minister of FINANCE be pleased to state:

- (a) whether the Organisation for Economic Cooperation and Development (OECD) and the United Nations models are in vogue for avoidance of dual taxation;
- (b) if so, the norms adopted under the said models;
- (c) the countries with which India has signed avoidance of dual taxation treaty, model-wise;
- (d) whether the Government has reconsidered its views with regard to any such treaty; and
- (e) if so, the country-wise details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) to (e): There are two models; Organisation for Economic Cooperation and Development (OECD) and United Nations (UN) Models that guides various countries in the negotiation of Double Taxation Avoidance Agreements (DTAAs). OECD Model favours residence based taxation and UN Model favours source based taxation. India negotiate DTAAs based on its own model which is slightly different from OECD & UN Model and which takes into consideration our national priorities.

The DTAA is concluded after bilateral negotiations. Therefore, the final DTAA signed with any country will not exactly fall into any category of OECD Model or UN model. At present, India has in total 79 DTAAs in force with different countries i.e. Australia, Austria, Armenia, Bangladesh, Belarus, Belgium, Botswana, Brazil Bulgaria, Canada, China, Cyprus, Czech Republic, Denmark, Egypt, Finland, France, Germany, Greece, Hungary, Iceland, Indonesia, Ireland, Israel, Italy, Japan, Jordan, Kazakhstan, Kenya, Korea, Kuwait, Kyrgyz Republic, Libya, Luxembourg, Malaysia, Malta, Mauritius, Mexico, Mongolia, Montenegro, Morocco, Myanmar, Namibia, Nepal, Netherlands, `New Zealand, Norway, Oman, Philippines, Poland, Portuguese Republic, Qatar, Romania, Russia, Saudi Arabia, Serbia, Singapore, Slovenia, South Africa, Spain, Sri Lanka, Sudan, Sweden, Swiss Confederaton, Syria, Tajikistan, Tanzania, Thailand, Trinidad and Tobago, Turkey, Turkmenistan, United Arab Emirates, Uganda, UK, Ukraine, USA, Uzbekistan, Vietnam, Zambia. Most of these DTAAs are under renegotiation in order to bring the Article concerning Exchange of Information in line with the recently determined international standard.