

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3063

ANSWERED ON:15.03.2013

DOUBLE TAXATION AVOIDANCE AGREEMENT

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**Will the Minister of FINANCE be pleased to state:**

(a) whether India has signed any agreement/Memorandum of Understanding (MoU) with certain countries including Sweden to amend the Avoidance of Double Taxation and for Prevention of Fiscal Evasion with respect to taxes on income and capital;

(b) if so, the details and the salient features thereof; and

(c) the likely benefits of such agreements to the country?

**Answer**

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

(a) : Government of India is negotiating new Double Taxation Avoidance Agreements (DTAAs) and has also taken steps to update the article concerning Exchange of Information in existing DTAAs to specifically allow for exchange of banking information and information without domestic interest. India has also decided to negotiate Tax Information Exchange Agreements (TIEAs) with priority countries/jurisdictions. On 7th Feb, 2013, India and Sweden have signed a Protocol (the Amending Protocol) to amend the existing Double Taxation Avoidance Convention (DTAC) and the Protocol between Republic of India and the Kingdom of Sweden for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to taxes on income and on capital.

(b) : The salient features of the Amending Protocol with Sweden are :

(i) the Article concerning Exchange of Information in the existing DTAC between India and Sweden is updated by taking it up to the International standards including exchange of banking information and exchange of information without domestic interest; and

(ii) Provisions related to Tax Examination Abroad have been included.

(c) : The DTAC with Sweden, as amended by the Amending Protocol, will enable India to receive information from Sweden including banking information and information in which Sweden has no domestic interest. The article on Tax Examination Abroad will enable both the countries to assist in conducting tax examination abroad by allowing officials of one country to enter the territory of other country for this purpose.