

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2051
ANSWERED ON:08.03.2013
DTAA WITH SOUTH KOREA
Antony Shri Anto; Tagore Shri Manicka

Will the Minister of FINANCE be pleased to state:

- (a) whether India has signed Double Taxation Avoidance Agreement (DTAA) with certain countries including Sri Lanka and South Korea;
- (b) if so, the details thereof;
- (c) whether Government is keen to enhance the bilateral economic relations among these countries; and
- (d) if so, the details thereof?

Answer

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

- (a) Yes. India has signed 88 Double Taxation Avoidance Agreements (DTAAs) out of which 85 have entered into force, with various countries including Sri Lanka and South Korea.
- (b) The DTAAs provide for allocation of taxation rights to source State and residence State in respect of business profits including that of a permanent establishment, operation of ships or aircraft in international traffic, dividends, interest, royalty, capital gains, etc. Further, DTAAs have provisions for exchange of information for tax purposes.
- (c)& (d) The DTAAs facilitate mutual economic cooperation and provide tax certainty to the resident tax payers of both the countries. Further, the DTAAs aim to avoid the burden of double taxation on the income of residents of the two treaty countries and also simulate flow of investment, technology and services between them.