

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:6004  
ANSWERED ON:03.05.2013  
DTAA WITH SWITZERLAND  
Singh Shri Pradeep Kumar

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

- (a) the present status of Double Taxation Avoidance Agreement (DTAA) between India and Switzerland,
- (b) whether the Government has signed or proposes to sign any Memorandum of Understanding (MoU) / agreement with the Swiss Government to make the interpretation of the identity rules under the DTAA more liberal,
- (c) if so, the details thereof and if not, the reasons thereof,
- (d) the time by which such MoU / agreement is likely to be signed and
- (e) the manner in which it is likely to help the Government to obtain information on those who have stashed black money in Swiss banks?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

- (a) The Agreement and Protocol for avoidance of double taxation with respect to taxes on income (DTAA) between the Republic of India and the Swiss Confederation was signed on 2nd November 1994 and this DTAA was amended by the Supplementary Protocol, which was signed on 16th February, 2000. The DTAA was again amended through a Protocol (Amending Protocol) to the DTAA between India and Swiss Confederation. The Amending Protocol was signed on 30th August 2010 and came into force on 7th October, 2011. As a result of this Amending Protocol, the new provisions of the exchange of information allow exchange of banking information, in specific cases, that relate to fiscal year beginning on or after 1st April, 2011.
- (b) Yes Madam. Government has signed a Mutual Agreement with Government of Swiss Confederation for liberal interpretation of the identity requirements for providing information under Article 26 of the DTAA between India and Swiss Confederation.
- (c) Before this Mutual Agreement, the requesting State had to compulsorily provide the name of the person under examination and the name of the foreign holder of the information as part of the identity requirements without which the information will not be shared by the other country. This was a restrictive provision and not in line with the international standards. Swiss Confederation has agreed to provide liberal interpretation on the identity requirements that it is sufficient if the requesting state identifies the person by other means than by indicating the name and address of the person concerned, and indicates to the extent known, the name and address of any person believed to be in possession of the requested information.
- (d) The Mutual Agreement was signed on 20th April, 2012 but the liberal interpretation to Article 26 of the DTAA as agreed upon in this Mutual Agreement will apply from the date on which the amending Protocol which was signed on 30th August, 2010, has come into effect, i.e., 01.04.2011.
- (e) This Mutual Agreement is beneficial to India because the conditions as clarified by Switzerland will enable India to get information even it has only limited details regarding the taxpayers under examination or foreign person in Switzerland who is in possession of the information.