

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1482

ANSWERED ON:27.11.2009

DOUBLE TAXATION AVOIDANCE TREATY

Ahir Shri Hansraj Gangaram; Dhruvanarayana Shri R. ; Hegde Shri Anant Kumar; Joshi Dr. Murli Manohar; Sharma Shri Jagdish; Singh Shri Radha Mohan; Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of FINANCE be pleased to state:

- (a) whether a treaty regarding the double taxation avoidance was signed between India and Switzerland in 1995;
- (b) if so, the details thereof;
- (c) the points on which the two countries have agreed to cooperate thereunder;
- (d) whether as per the conditions of the said treaty information regarding secret Swiss Bank accounts of Indians can be sought through the legal procedures only on a special request;
- (e) if so, the reaction of the Government thereto;
- (f) whether the Government has made request to get the information about the secret bank accounts under the said treaty; and
- (g) if so, the details thereof and result obtained thereby?

Answer

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

(a),(b)&(c): India entered into a Double Taxation Avoidance Agreement (DTAA) with the Government of Swiss Confederation, which was notified in Official Gazette on April 21, 1995 and amended through notification dated February 7, 2001. The agreement seeks to avoid double taxation of income with respect to taxes on income by allocating taxing rights between the two countries and by providing methods for elimination of double taxation. Under the DTAA, India and Swiss Confederation have also agreed to cooperate through Mutual Agreement Procedure and for Exchange of Information.

(d) to (g): Efforts have been made by India, from time to time, to seek details of bank deposits in Swiss Banks of Indian residents under the DTAA between India and Swiss Confederation. However, the Swiss Federal Tax Administration has expressed its inability to exchange the information regarding bank deposits of Indian residents as the information was not necessary for the application of DTAA between India and Swiss Confederation but was required only for the enforcement of Indian internal laws. They replied that such information was not at their disposal under Swiss laws in the normal course of tax administration.