



# Cabinet approves Agreement for the Avoidance of Double Taxation and Prevention of Fiscal Evasion between India and Iran

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The Union Cabinet, chaired by Prime Minister Shri Narendra Modi has approved an Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income between India and Iran.

The Agreement will stimulate flow of investment, technology and personnel from India to Iran & vice versa, and will prevent double taxation. The Agreement will provide for exchange of information between the two Contracting Parties as per latest international standards. It will thus improve transparency in tax matters and will help curb tax evasion and tax avoidance.

The Agreement is on similar lines as entered into by India with other countries. The proposed Agreement also meets treaty related minimum standards under G-20 OECD Base Erosion & Profit Shifting (BEPS) Project, in which India participated on an equal footing.

In so far as India is concerned, the Central Government is authorized under Section 90 of the Income Tax Act, 1961 to enter into an Agreement with a foreign country or specified territory for avoidance of double taxation of income for exchange of information for the prevention of evasion or avoidance of income-tax chargeable under the Income-tax Act, 1961.

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