

INDIA SIGNS TAX INFORMATION EXCHANGE AGREEMENT WITH MONACO

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Government of India and Government of Principality of Monaco have signed a Tax Information Exchange Agreement (TIEA) yesterday. The agreement was signed by the Minister of State for Finance, Shri S S Palanimanickam from Indian side and Counsellor of Government for Finances and Economy, Mr. Marco Piccinini from Monaco side. This is the ninth TIEA being signed by India.

Salient features of this agreement are

- It is based on international standard of transparency and exchange of information.
- Information must be foreseeably relevant to the administration and enforcement of the domestic laws of the Contracting Parties concerning taxes and tax matters covered by the agreement.
- The requesting State has to provide some minimum details about the information requested in order to justify the foreseeably relevance criteria.
- Information is to be treated as secret and can be disclosed to only specified person or authorities, which are tax authorities or the authorities concerned with the determination of tax appeal.
- It also provides for disclosure of information to any other person or entity or authority or any other jurisdiction (including foreign Governments) with the written consent of the competent authority of the requested Party.
- There is a specific provision that the requested Party shall provide upon request the information even though that Party may not need such information for its own tax purposes.
- There is a specific provision for providing banking and ownership information.
- There is a specific provision for Tax Examination Abroad where authorities of one State can present in the tax examination of taxpayer in the other State.
- Upon entry into force, the Agreement allows exchange of information forthwith.