

# **India signs tax info exchange pact with Liechtenstein**

India on Thursday signed a tax information exchange agreement (TIEA) with the tiny central European principality of Liechtenstein, a move which would make it easier to track illegal money stashed by Indian citizens there.

The agreement was signed in Bern, Switzerland, by Indian High Commissioner to Switzerland, Chitra Narayanan, and Ambassador of Liechtenstein to Switzerland, Doris Frick. It will come into force from April 1, 2013.

The pact is based on international standards of transparency and exchange of information.

There is a specific provision that the requested party shall provide information asked for even though it is not needed for its own tax purposes. There is also a specific provision for providing banking and ownership information.

Liechtenstein, a low tax jurisdiction, came in the national spotlight in 2010, after it was found that some Indians had opened secret accounts in its LGT Bank. In the absence of a bilateral treaty, India could not seek any details on these Indians.

(Business Standard)