



INDIA- MALDIVES

TAXATION AGREEMENTS

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PREFACE

The government of India and the government of the Republic of Maldives has entered into three agreements related to taxation in the contracting countries which includes a limited agreement for avoidance of double taxation of income derived from international air transport, limited agreement for the avoidance of double taxation and mutual administrative assistance in tax matters signed between South Asian Association for Regional Cooperation ("SAARC") countries and a Tax Information Exchange Agreement ("TIEA"); which came into force from 01 August, 2016, 01 April, 2011 and 02 August, 2016 respectively.

Notably, there is no agreement that has been entered into between India and Maldives which specifies the rules of taxation and all the agreements which have been entered into relate to mutual assistance, administration and exchange of taxation information. Maldives is a tax haven and one of the most secretive country in terms of disclosures and as a result agreements like TIEA are extremely essential. The TIEA which has been entered into between the contracting states provides for exchange of information related to all and any kind of taxes that may be imposed by the countries.

The limited agreement for avoidance of double taxation of income derived from international air transport covers income tax and its surcharges in India and the business profit tax in Maldives. The TIEA provides for relief from double taxation for airline enterprises of India and Maldives by way of exemption of income derived by the Indian enterprises from the operation of aircraft in international traffic, from Maldivian tax and vice-versa.



The limited agreement for the avoidance of double taxation and mutual administrative assistance in tax matters signed between SAARC countries covers all taxes imposed on total income, or on elements of income, including taxes on gains from the alienation of movable or immovable property and taxes on the total amounts of wages or salaries paid or deemed to be paid by enterprises. This agreement provides for exchange of information related to taxation and assistance in the collection of such information. The main aim of this agreement is to enhance the economic cooperation among the SAARC member countries.

INDIA-MALDIVES

(LIMITED AGREEMENT FOR AVOIDANCE OF DOUBLE TAXATION OF INCOME DERIVED FROM INTERNATIONAL AIR TRANSPORT)

India and Maldives have signed a limited agreement for avoidance of double taxation of income derived from international air transport. Since both the contracting states, are members of SAARC, another limited agreement for the avoidance of double taxation and mutual administrative assistance in tax matters has also been signed. Additionally, a tax information exchange agreement has also been entered into between the contracting states. The original text of this limited agreement can be referred to below:

MALDIVES

AGREEMENT FOR AVOIDANCE OF DOUBLE TAXATION OF INCOME DERIVED FROM INTERNATIONAL AIR TRANSPORT WITH MALDIVES

Whereas, an Agreement entered into between the Government of the Republic of India and the Government of the Republic of Maldives for Avoidance of Double Taxation of Income Derived From International Air Transport was signed at New Delhi on the 11th day of April, 2016 as set out in the Annexure to this notification (hereinafter referred to as the said Agreement);

And whereas, in accordance with paragraph 2 of Article 6 of the said Agreement, the said Agreement entered into force on the 1st day of August, 2016, being the first day of the second month following the month in which later of the notifications of the completion of the procedures as required by the respective laws for entry into force of the said Agreement is given;

And whereas, clause (i) of paragraph 3 of Article 6 of the said Agreement provides that the provisions of the said Agreement shall have effect in India in respect of income derived in any fiscal year beginning on or after the first day of April following the calendar year in which the Agreement enters into force;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 90 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies that all the provisions of said Agreement, as annexed hereto, shall be given effect to in the Union of India.

NOTIFICATION : NO. S.O. 2853(E) [NO.77/2016 (F.NO.503/4/2013-SO/FT&TR-II(1)), DATED 2-9-2016

ANNEXURE

AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDIA AND THE GOVERNMENT OF THE REPUBLIC OF MALDIVES FOR AVOIDANCE OF DOUBLE TAXATION OF INCOME DERIVED FROM INTERNATIONAL AIR TRANSPORT

The Government of the Republic of India and the Government of the Republic of Maldives desiring to conclude an agreement for the avoidance of double taxation of income derived from international air transport have agreed as follows:

ARTICLE 1

TAXES COVERED

1. This Agreement shall apply to taxes on income imposed on behalf of each Contracting State irrespective of the manner in which they are levied.

2. The existing taxes to which this Agreement shall apply are:

(a) in the case of India, the income-tax including any surcharge thereon (hereinafter referred to as "Indian tax");

(b) in the case of Maldives, Business Profit Tax imposed under the Business Profit Tax Act (Law Number 5/2011) (hereinafter referred to as "Maldives tax");

3. This Agreement shall also apply to any identical or substantially similar taxes which are imposed after the date of signature of this Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any significant changes which are made in their respective taxation laws.

ARTICLE 2

DEFINITIONS

1. In this Agreement, unless the context otherwise requires:

(a) the term "India" means the territory of India and includes the territorial sea and airspace above it, as well as any other maritime zone in which India has sovereign rights, other rights and jurisdiction, according to the Indian law and in accordance with international law, including the U.N. Convention on the Law of the Sea;

(b) the term "Maldives" means the territory of the Maldives and includes its territorial sea, continental shelf, sea-bed, sub-soil (and their natural resources) and airspace, as well as any maritime zone in which the Maldives has sovereign rights, other rights and jurisdiction, according to the law of the Maldives and in accordance with international law, including the United Nations Convention on the Law of the Sea;

(c) the terms "a Contracting State" and "the other Contracting State" mean the Republic of India or the Republic of Maldives as the context requires;

(d) the term "tax" means "Indian tax" or "Maldives tax" as the context requires ;

(e) the term "enterprise of a Contracting State" means an airline designated by the Government of that Contracting State in pursuance of the Agreement dated 24th December 2008, as maybe amended or revised from time to time, between the Government of Republic of India and the Government of Republic of Maldives relating to air services;

(f) the term "international air traffic" means any transport by an aircraft operated by an enterprise of a Contracting State, except when the aircraft is operated solely between places in the other Contracting State ;

(g) the term "operation of aircraft" means the business of transportation by air of passengers, livestock, goods or mail conducted by an enterprise of a Contracting State, including the sale of tickets and similar documents used for the purpose of transport;

(h) the term "competent authority" means:

(i) in the case of India, the Minister of Finance, Government of India or his authorized representative;

(ii) in the case of Maldives, the Maldives Inland Revenue Authority or its authorized representative.

2. In the application of the provisions of this Agreement by one of the Contracting States, any term used but not defined herein shall, unless the context otherwise requires, have the meaning which it has under the laws in force in that State relating to taxes which are the subject of this Agreement.

ARTICLE 3

AVOIDANCE OF DOUBLE TAXATION

1. Income derived by an enterprise of a Contracting State from the operation of aircraft in international traffic shall be

exempted from tax in the other Contracting State.

2. The provisions of paragraph (1) shall also apply to income from the participation in a pool, a joint airline business or an international operating agency.

3. For the purpose of paragraphs 1 and 2, interest on funds directly connected with the operation of aircraft in international air traffic shall be regarded as income derived from the operation of such aircraft.

ARTICLE 4

RESIDUAL PROVISIONS

The laws in force in either of the Contracting States shall continue to govern the assessment and taxation of income in the Contracting States except where express provision to the contrary is made in this Agreement.

ARTICLE 5

MUTUAL AGREEMENT PROCEDURE

1. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of the Agreement.

2. Consultation may be requested at any time by the competent authority of a Contracting State for the purpose of paragraph 1 of this Article. Such consultation shall begin within ninety days from the date of receipt of any such request by the competent authority of the other Contracting State.

3. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching agreement under this Article.

ARTICLE 6

ENTRY INTO FORCE

1. The Contracting States shall notify each other in writing, through diplomatic channels, of the completion of the procedures required by the respective laws for the entry into force of this Agreement.

2. This Agreement shall enter into force on the first day of the second month following the month in which the later of the notifications referred to in paragraph 1 of this Article is given.

3. The provisions of this Agreement shall have effect:

(i) in India, in respect of income derived in any fiscal year beginning on or after the first day of April following the calendar year in which the Agreement enters into force; and

(ii) in Maldives, in respect of income derived in any fiscal year beginning on or after the first day of January following the calendar year in which the Agreement enters into force.

ARTICLE 7

TERMINATION

This Agreement shall remain in force indefinitely until terminated by a Contracting State. Either Contracting State may terminate the Agreement, by giving notice of termination through diplomatic channels, at least six months before the end of any calendar year beginning after the expiration of five years from the date of entry into force of the Agreement. In such event, the Agreement shall cease to have effect:

(a) in India, in respect of income derived in any fiscal year on or after the first day of April following the calendar year in which the notice is given;

(b) in Maldives, in respect of income derived in any fiscal year on or after the first day of January following the year in which the notice was given.

IN WITNESS WHEREOF the undersigned, duly authorized thereto, have signed this Agreement.

DONE in duplicate at New Delhi on this 11th day of April 2016 each in the English and Hindi languages, both texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.



INDIA-MALDIVES

(AGREEMENT AMONG THE GOVERNMENTS OF SAARC MEMBER STATES FOR AVOIDANCE OF DOUBLE TAXATION AND MUTUAL ADMINISTRATIVE ASSISTANCE IN TAX MATTERS)

Since both the contracting states, are members of SAARC, another limited agreement for the avoidance of double taxation and mutual administrative assistance in tax matters has also been signed. The original text of this limited agreement as signed between India and Maldives can be referred to below:

SECTION 90 OF THE INCOME-TAX ACT, 1961 - DOUBLE TAXATION AGREEMENT - AGREEMENT AMONG THE GOVERNMENTS OF SAARC MEMBER STATES FOR AVOIDANCE OF DOUBLE TAXATION AND MUTUAL ADMINISTRATIVE ASSISTANCE IN TAX MATTERS

NOTIFICATION NO. 3/2011 [SO 34(E)]-FTD-II [F.NO. 500/96/97-FTD-II], DATED 10-1-2011

WHEREAS the annexed Agreement among the Governments of SAARC (South Asian Association for Regional Cooperation) Member States comprising the People's Republic of Bangladesh, the Kingdom of Bhutan, the Republic of India, the Republic of Maldives, the Kingdom of Nepal, the Islamic Republic of Pakistan and the Democratic Socialist Republic of Sri Lanka for the avoidance of double taxation and mutual administrative assistance in tax matters signed in Dhaka, Bangladesh on the 13th day of November, 2005 shall come into force on the 19th day of May, 2010, being the thirtieth day after the notification dated 19th April, 2010 issued by SAARC Secretariat regarding completion of all formalities, including ratification, wherever applicable, by all Member States, in accordance with Article 16 of the said Agreement;

NOW, THEREFORE, in exercise of the powers conferred by section 90 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby directs that all the provisions of the said Agreement shall be given effect to in the Union of India with effect from the 1st day of April, 2011.

ANNEXURE

SAARC LIMITED MULTILATERAL AGREEMENT ON AVOIDANCE OF DOUBLE TAXATION AND MUTUAL ADMINISTRATIVE ASSISTANCE IN TAX MATTERS

Preamble

The Governments of the SAARC (South Asian Association for Regional Cooperation) Member States comprising the People's Republic of Bangladesh, the Kingdom of Bhutan, the Republic of India, the Republic of Maldives, the Kingdom of Nepal, the Islamic Republic of Pakistan and the Democratic Socialist Republic of Sri Lanka;

Desiring to conclude an Agreement on Avoidance of Double Taxation and Mutual Administrative Assistance in tax matters with a view to promoting economic cooperation amongst the SAARC Member States

Have agreed as follows :

ARTICLE 1

GENERAL DEFINITIONS

1. For the purposes of this Agreement, unless the context otherwise requires :
 - (a) the term "Member State" means one of the States as per Schedule I;

- (b) the term "person" includes an individual, a company, a body of persons and any other entity which is treated as a taxable unit under the taxation laws in force in the respective Member States;
- (c) the term "tax" means, tax(es) covered as per Schedule II, as the context requires;
- (d) the term "Competent Authority" means Competent Authority as per Schedule III;
- (e) the term "national" means any individual possessing the nationality of a Member State; and
- (f) the term "fiscal year" means the year as defined in Schedule IV.

2. As regards the application of the Agreement at any time by a Member State any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that Member State for the purposes of the taxes to which the Agreement applies and any meaning under the applicable tax laws of that Member State prevailing over a meaning given to the term under other laws of that Member State.

ARTICLE 2

PERSONS COVERED

This Agreement shall apply to persons who are residents of one or more of the Member States, in respect of which it has entered into force in accordance with Article 16.

ARTICLE 3

TAXES COVERED

1. This Agreement shall apply to taxes on income imposed by or on behalf of the Member States.
2. There shall be regarded as taxes on income all taxes imposed on total income, or on elements of income, including taxes on gains from the alienation of movable or immovable property and taxes on the total amounts of wages or salaries paid or deemed to be paid by enterprises.
3. The existing taxes to which the Agreement shall apply are listed in Schedule II.
4. The Agreement shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes. The Competent Authorities of the Member States shall notify the SAARC Secretariat of any significant changes that have been made in their respective taxation laws.

ARTICLE 4

RESIDENT

1. For the purposes of this Agreement, the term "resident of a Member State" means any person who, under the laws of that Member State, is liable to tax therein by reason of his domicile, residence, place of management or any other criterion of a similar nature, and also includes that Member State and any political sub-division or local authority thereof. This term, however, does not include any person who is liable to tax in that Member State in respect only of income from sources in that Member State.
2. Where, by reason of the provisions of paragraph 1, an individual is a resident of more than one Member State, his/her status shall be determined as follows :
 - (a) he/she shall be deemed to be a resident only of the Member State in which he/she has a permanent home available to him/her; if he/she has a permanent home available to him/her in more than one Member State, he/she shall be deemed to be a resident only of the Member State with which his/her personal and economic relations are closer (centre of vital interests);
 - (b) if the Member State in which he/she has his/her centre of vital interests cannot be determined, or if he/she has not a

permanent home available to him/her in any Member State, he/she shall be deemed to be a resident only of the Member State in which he/she has an habitual abode;

(c) if he/she has an habitual abode in more than one Member State or in neither of them, he/she shall be deemed to be a resident only of the Member State of which he/she is a national;

(d) if he/she is a national of more than one Member State or of none of them, the Competent Authorities of the concerned Member States shall settle the question by mutual agreement.

3. Where, by reason of the provisions of paragraph 1, a person other than an individual is a resident of more than one Member State, it shall be deemed to be a resident only of the Member State in which its place of effective management is situated. If the Member State in which its place of effective management is situated cannot be determined, then the Competent Authorities of the concerned Member States shall settle the question by mutual agreement.

ARTICLE 5

EXCHANGE OF INFORMATION

1. The Competent Authorities of the Member States shall exchange such information, including documents and public documents or certified copies thereof, as is necessary for carrying out the provisions of this Agreement or of the domestic laws of the Member States concerning taxes covered by this agreement insofar as the taxation thereunder is not contrary to the Agreement. Any information received by a Member State shall be treated as secret in the same manner as information obtained under the domestic laws of that Member State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to the taxes covered by the agreement. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on a Member State the obligation :

(a) to carry out administrative measures at variance with the laws and administrative practices of that or of the other Member State;

(b) to supply information, including documents and public documents or certified copies thereof, which are not obtainable under the laws or in the normal course of the administration of that or of the other Member State;

(c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (ordre public).

ARTICLE 6

ASSISTANCE IN THE COLLECTION OF TAXES

1. The Member States shall lend assistance to each other in the collection of revenue claims. The Competent Authorities of the Member States may, by mutual agreement, settle the mode of application of this Article.

2. The term "revenue claim" as used in this Article means an amount owed in respect of taxes covered by the Agreement together with interest, penalties and costs of collection or conservancy related to such amount.

3. When a revenue claim of a Member State is enforceable under the laws of that Member State and is owed by a person who, at that time, cannot, under the laws of that Member State, prevent its collection, that revenue claim shall, at the request of the Competent Authority of that Member State, be accepted for purposes of collection by the Competent Authority of the other Member State, and that revenue claim shall be collected by that other Member State in accordance with the provisions of its laws applicable to the enforcement and collection of its own taxes as if the revenue claim were a

revenue claim of that other Member State.

4. When a revenue claim of a Member State is a claim in respect of which that Member State may, under its law, take measures of conservancy with a view to ensure its collection, that revenue claim shall, at the request of the Competent Authority of that Member State, be accepted for purposes of taking measures of conservancy by the Competent Authority of the other Member State. That other Member State shall take measures of conservancy in respect of that revenue claim in accordance with the provisions of its laws as if the revenue claim were a revenue claim of that other Member State even if, at the time when such measures are applied, the revenue claim is not enforceable in the first-mentioned Member State or is owed by a person who has a right to prevent its collection.

5. The provisions of this Article shall be invoked on request of a Member State only after all permissible measures of recovery under the domestic laws of that Member State have been exhausted.

6. Notwithstanding the provisions of paragraphs 3 and 4, a revenue claim accepted by a Member State for purposes of paragraph 3 or 4 shall not, in that Member State, be subject to the time limits or accorded any priority applicable to a revenue claim under the laws of that Member State by reason of its nature as such. In addition, a revenue claim accepted by a Member State for the purposes of paragraph 3 or 4 shall not, in that Member State, have any priority applicable to that revenue claim under the laws of the other Member State.

7. Proceedings with respect to the existence, validity or the amount of a revenue claim of a Member State shall only be brought before the courts or administrative bodies of that Member State. Nothing in this Article shall be construed as creating or providing any right to such proceedings before any court or administrative body of the other Member State.

8. Where, at any time after a request has been made by a Member State under paragraph 3 or 4 and before the other Member State has collected and remitted the relevant revenue claim to the first-mentioned Member State, the relevant revenue claim ceases to be :

(a) in the case of a request under paragraph 3, a revenue claim of the first-mentioned Member State that is enforceable under the laws of that Member State and is owed by a person who, at that time, cannot, under the laws of that Member State, prevent its collection, or

(b) in the case of a request under paragraph 4, a revenue claim of the first-mentioned Member State in respect of which that Member State may, under its laws, take measures of conservancy with a view to ensure its collection. The Competent Authority of the first-mentioned Member State shall promptly notify the Competent Authority of the other Member State of that fact and, at the option of the other Member State, the first-mentioned Member State shall either suspend or withdraw its request.

9. In no case shall the provisions of this Article be construed so as to impose on a Member State the obligation :

(a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Member State;

(b) to carry out measures which would be contrary to public policy (ordre public);

(c) to provide assistance if the other Member State has not pursued all reasonable measures of collection or conservancy, as the case may be, available under its laws or administrative practices;

(d) to provide assistance in those cases where the administrative burden for that Member State is clearly disproportionate to the benefit to be derived by the other Member State.

ARTICLE 7

SERVICE OF DOCUMENTS

1. At the request of the applicant Member State the requested Member State shall serve upon the addressee, documents

and public documents including those relating to judicial decisions, which emanate from the applicant Member State and which relate to a tax covered by this Agreement.

2. The requested Member State shall effect service of documents, including public documents :

(a) by a method prescribed by its domestic laws for the service of documents of a substantially similar nature;

(b) to the extent possible, by a particular method requested by the applicant Member State or the closest to such method available under its own laws.

3. A Member State may effect service of documents directly through the post on a person in another Member State.

4. Nothing in the Agreement shall be construed as invalidating any service of documents by a Member State in accordance with its laws.

5. When a document is served in accordance with this Article and it is not in English language, the same should be accompanied by a translation into English.

ARTICLE 8

PROFESSORS, TEACHERS AND RESEARCH SCHOLARS

1. A professor, teacher or research scholar who is or was a resident of the Member State immediately before visiting the other Member State for the purpose of teaching or engaging in research, or both, at a university, college or other similar approved institution in that other Member State shall be exempt from tax in that other Member State on any remuneration for such teaching or research for a period not exceeding two years from the date of his/her arrival in that other Member State.

2. For the purposes of this Article, an individual shall be deemed to be a resident of a Member State if he/she is resident in that Member State in the fiscal year in which he/she visits the other Member State or in the immediately preceding fiscal year.

3. For the purposes of paragraph 1 "approved institution" means an institution which has been approved in this regard by the Government of the concerned Member State.

ARTICLE 9

STUDENTS

1. A student who is or was a resident of one of the Member States immediately before visiting the other Member State and who is present in that other Member State solely for the purpose of his/her education or training shall, besides grants, loans and scholarships and any payments received from sources outside that State for the purpose of his/her maintenance, education or training, be exempt from tax in that other Member State on remuneration which he/she derives from an employment which he/she exercises in the other Member State if the employment is directly related to his/her studies.

2. The exemption available under paragraph 1 above in respect of remuneration from employment shall not exceed an amount equal to US\$ 3000 per annum.

3. The benefits of this Article shall extend only for such period of time as may be reasonable or customarily required to complete the education or training undertaken, but in no event shall any individual have the benefits of this Article, for more than six consecutive years from the date of his/her first arrival in that other Member State.

ARTICLE 10

TRAINING

1. The Member States shall endeavour to hold and organise training programmes, seminars and workshops for the tax administrators with the objective of :

- (i) providing a common forum for senior tax administrators to meet and discuss problems of common concern;
- (ii) enhancing the technical and administrative knowledge and skills of tax administrators; and
- (iii) evolving strategies to combat common tax problems like tax avoidance/evasion in the SAARC region.

ARTICLE 11

SHARING OF TAX POLICY

1. Each Member State shall endeavour to bring out a yearly report on changes made in its tax laws. This may also cover introduction of new systems or techniques for circulation among the Member States.

2. A Member State may, on request, make available its pool of talented experts to other Member States for the purposes of drafting and organising legislation, tax procedures, operational management, on the job training programmes, information system and technology etc.

ARTICLE 12

IMPLEMENTATION

The Member States shall hold periodic consultations, as appropriate, of Competent Authorities, with a view to facilitating the effective implementation of this Agreement.

ARTICLE 13

REVIEW

The Member States shall meet in order to review this Agreement on request or at the end of five years from the date of its entry into force, unless they notify the SAARC Secretariat, in writing, that no such review is necessary.

ARTICLE 14

AMENDMENTS

This Agreement may be amended by consensus. Any such amendment will become effective upon the deposit of instrument(s) of acceptance with the Secretary-General of SAARC by all Member States and issuance of notification thereof by the SAARC Secretariat. Such an amendment shall have effect in the Member States from the date of commencement of their respective fiscal year following the issuance of notification by the SAARC Secretariat.

ARTICLE 15

DEPOSITORY

This Agreement will be deposited with the Secretary General of SAARC, who will furnish a certified copy thereof to each Member State.

ARTICLE 16

ENTRY INTO FORCE

1. This Agreement shall enter into force on the thirtieth day after the notification issued by the SAARC Secretariat regarding completion of all formalities, including ratification, wherever applicable, by all Member States.

2. The provisions of this Agreement shall have effect :

(i) In Bangladesh

(a) in respect of taxes withheld at source, in respect of amounts paid or credited on or after the first day of July next following the date upon which the Agreement enters into force;

(b) with regard to other taxes, in respect of tax years beginning on or after the first day of July next following the date upon which the Agreement enters into force;

(ii) In Bhutan

(a) in respect of taxes withheld at source, in respect of amounts paid or credited on or after the first day of July next following the date upon which the Agreement enters into force;

(b) with regard to other taxes, in respect of tax years beginning on or after the first day of July next following the date upon which the Agreement enters into force;

(iii) In India, in respect of income derived in any fiscal year on or after the first day of April next following the date upon which the Agreement enters into force;

(iv) In Maldives in respect of income derived in any fiscal year on or after the first day of January next following the date upon which the Agreement enters into force;

(v) In Nepal in respect of income arising in any year of income beginning on or after the first day of Nepalese fiscal year starting mid-July next following the date upon which the Agreement enters into force;

(vi) In Pakistan :

(a) in respect of taxes withheld at source, in respect of amounts paid or credited on or after the first day of July next following the date upon which the Agreement enters into force;

(b) with regard to other taxes, in respect of tax years beginning on or after the first day of July next following the date upon which the Agreement enters into force; and

(vii) In Sri Lanka in respect of income derived on or after the first day of April of the year next following the date upon which the Agreement enters into force.

ARTICLE 17

TERMINATION

This Agreement shall remain in force indefinitely until terminated by a Member State. A Member State may terminate the Agreement, through diplomatic channels, by giving notice of termination at least six months before the end of any calendar year beginning after the expiration of five years from the date of entry into force of the Agreement. In such event, the Agreement shall cease to have effect :

(i) In Bangladesh, in respect of income derived in any fiscal year on or after the first day of July next following the expiration of six months period from the date on which the written notice of termination is given;

(ii) In Bhutan, in respect of income derived in any fiscal year on or after the first day of July next following the expiration of six months period from the date on which the written notice of termination is given;

(iii) In India, in respect of income derived in any fiscal year on or after the first day of April next following the expiration of six months period from the date on which the written notice of termination is given;

(iv) In Maldives, in respect of income derived in any fiscal year on or after the first day of January next following the expiration of six months period from the date on which the written notice of termination is given;

(v) In Nepal, in respect of income derived in any fiscal year on or after the first day of mid-July next following the expiration of six months period from the date on which the written notice of termination is given;

(vi) In Pakistan, in respect of income derived in any fiscal year on or after the first day of July next following the expiration of six months period from the date on which the written notice of termination is given; and

(vii) In Sri Lanka, in respect of income derived on or after the first day of April of the year next following the expiration of six months period from the date on which the written notice of termination is given;

IN WITNESS WHEREOF, the undersigned, duly authorized thereto, have signed this Agreement.

DONE at Dhaka, Bangladesh, On This The Thirteenth Day of November Two Thousand Five, In Nine Originals In English Language, All Texts Being Equally Authentic.



PROTOCOL

On formalization, this SAARC Limited Multilateral Agreement on Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matters shall be applicable only in the Member States where an adequate Direct Tax Structure is in place. Further, in case of a Member State where such a structure is not in place, this Agreement shall become effective from the date on which such a Member State introduces a proper Direct Tax Structure and notifies the SAARC Secretariat to this effect.

Further that in the event of a conflict between the provisions of this Limited Multilateral Agreement and that of any bilateral Double Taxation Avoidance Agreement between the Member States, the provisions of the Agreement signed or amended at a later date shall prevail.

DONE at Dhaka, Bangladesh, On This The Thirteenth Day of November Two Thousand Five, In Nine Originals In English Language, All Texts Being Equally Authentic.

SCHEDULE I

MEMBER STATES TO THE AGREEMENT

1. The People's Republic of Bangladesh
2. Kingdom of Bhutan
3. Republic of India
4. Republic of Maldives
5. Kingdom of Nepal
6. Islamic Republic of Pakistan
7. Democratic Socialist Republic of Sri Lanka

SCHEDULE II

TAXES COVERED

The existing taxes to which this Agreement shall apply :

- | | |
|------------------|--|
| 1. In Bangladesh | Taxes on income that is direct tax |
| 2. In Bhutan | Income-tax imposed under Income-tax Act, 2001 and the rules thereof |
| 3. In India | Income-tax, including any surcharge thereon |
| 4. In Maldives | Taxes on income that is direct tax |
| 5. In Nepal | Income-tax imposed under the Income-tax Act, 2058 |
| 6. In Pakistan | Taxes on Income |
| 7. In Sri Lanka | Income-tax including the income-tax based on the turnover of enterprises licensed by the Board of Investment |

SCHEDULE III

COMPETENT AUTHORITY

The term "Competent Authority" means :

- | | |
|------------------|---|
| 1. In Bangladesh | National Board of Revenue or its authorized representative |
| 2. In Bhutan | The Ministry of Finance or its authorized representative |
| 3. In India | The Finance Minister, Government of India, or its authorized representative |
| 4. In Maldives | Department of Inland Revenue, Ministry of Finance and Treasury |

5. In Nepal

His Majesty's Government of Nepal, Ministry of Finance or its authorized representative

6. In Pakistan

Central Board of Revenue or its authorized representative

7. In Sri Lanka

Commissioner General of Inland Revenue

SCHEDULE IV

FISCAL YEAR

The term "fiscal year" means :

1. In case of Bangladesh

1st July - 30th June

2. In case of Bhutan

1st July - 30th June

3. In case of India

1st April - 31st March

4. In case of Maldives

1st January - 31st December

5. In case of Nepal

The fiscal year beginning mid-July

6. In case of Pakistan

1st July - 30th June

7. In case of Sri Lanka

1st April -31st March



INDIA-MALDIVES

(TAX INFORMATION EXCHANGE AGREEMENT)

A limited agreement for the exchange of information with respect to taxes has been signed between the contracting countries. The original text of this tax information exchange agreement (TIEA) as signed between India and Maldives can be referred to below:

MALDIVES

AGREEMENT FOR EXCHANGE OF INFORMATION WITH RESPECT TO TAXES WITH MALDIVES

Whereas, an Agreement between the Government of the Republic of India and the Government of the Republic of Maldives for the Exchange of Information with respect to Taxes (hereinafter referred to as the said Agreement) as set out in the Annexure to this notification, was signed at New Delhi on the 11th day of April, 2016;

And whereas, the said Agreement entered into force on the 2nd day of August, 2016 being the date of the later of the notifications of the completion of the procedures required by the respective laws for entry into force of the said Agreement, in accordance with paragraph 2 of Article 12 of the said Agreement;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 90 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies that all the provisions of said Agreement, as annexed hereto as Annexure, shall be given effect to in the Union of India, in accordance with Article 12 of the said Agreement.

NOTIFICATION : NO. S.O. 2865(E) [NO.76/2016 (F.NO.500/79/2008-FTD-II)], DATED 2-9-2016

ANNEXURE

AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDIA AND THE GOVERNMENT OF THE REPUBLIC OF MALDIVES FOR THE EXCHANGE OF INFORMATION WITH RESPECT TO TAXES

The Government of the Republic of India and the Government of the Republic of Maldives, desiring to facilitate the exchange of information with respect to taxes have agreed as follows:

ARTICLE 1

Object and Scope of the Agreement

The competent authorities of the Contracting Parties shall provide assistance through exchange of information that is foreseeably relevant to the administration and enforcement of the domestic laws of the Contracting Parties concerning taxes covered by this Agreement. Such information shall include information that is foreseeably relevant to the determination, assessment and collection of such taxes, the recovery and enforcement of tax claims, or the investigation or prosecution of tax matters. Information shall be exchanged in accordance with the provisions of this Agreement and shall be treated as confidential in the manner provided in Article 8. The rights and safeguards secured to persons by the laws or administrative practice of the requested Party remain applicable to the extent that they do not unduly prevent or delay effective exchange of information.

ARTICLE 2

Jurisdiction

A Requested Party is not obliged to provide information which is neither held by its authorities nor is in the possession or control of persons who are within its territorial jurisdiction.

ARTICLE 3

Taxes Covered

1. The taxes which are the subject of this Agreement are:

(a) in India, taxes of every kind and description imposed by the Central Government or the Governments of political subdivisions or local authorities, irrespective of the manner in which they are levied;

(b) in Maldives, taxes of every kind and description imposed by the Government in accordance with the law irrespective of the manner in which they are levied;

2. This Agreement shall also apply to any identical or substantially similar taxes imposed after the date of signature of this Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting Parties shall notify each other of any substantial changes to the taxation and related information gathering measures which may affect the obligations of that Party pursuant to this Agreement.

ARTICLE 4

Definitions

3. For the purposes of this Agreement, unless otherwise defined:

(a) the term "India" means the territory of India and includes the territorial sea and airspace above it, as well as any other maritime zone in which India has sovereign rights, other rights and jurisdiction, according to the Indian law and in accordance with international law, including the U.N. Convention on the Law of the Sea;

(b) the term "Maldives" means the territory of the Maldives and includes its territorial sea, continental shelf, sea-bed, sub-soil (and their natural resources) and airspace, as well as any maritime zone in which the Maldives has sovereign rights, other rights and jurisdiction, according to the law of the Maldives and in accordance with international law, including the United Nations Convention on the Law of the Sea;

(c) the term "Contracting Party" means India or Maldives as the context requires;

(d) the term "competent authority" means

(i) in the case of India, the Finance Minister, Government of India, or his authorized representative;

(ii) in the case of Maldives, the Maldives Inland Revenue Authority, or its authorized representative;

(e) the term "person" includes an individual, a company, a body of persons and any other entity which is treated as a taxable unit under the taxation laws in force in the respective Contracting Parties;

(f) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;

(g) the term "publicly traded company" means any company whose principal class of shares is listed on a recognised stock exchange provided its listed shares can be readily purchased or sold by the public. Shares can be purchased or sold "by the public" if the purchase or sale of shares is not implicitly or explicitly restricted to a limited group of investors;

(h) the term "principal class of shares" means the class or classes of shares representing a majority of the voting power and value of the company;

(i) the term "recognised stock exchange" means

(i) in India, the National Stock Exchange, the Bombay Stock Exchange, and any other stock exchange recognised by the

Securities and Exchange Board of India;

(ii) in Maldives, the Maldives Stock Exchange; and

(iii) any other stock exchange which the competent authorities agree to recognise for the purposes of this Agreement.

(j) the term "collective investment fund or scheme" means any pooled investment vehicle, irrespective of legal form.

(k) the term "public collective investment fund or scheme" means any collective investment fund or scheme provided the units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed by the public. Units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed "by the public" if the purchase, sale or redemption is not implicitly or explicitly restricted to a limited group of investors;

(l) the term "tax" means any tax to which this Agreement applies;

(m) the term "requesting Party" means the Contracting Party—

(i) submitting a request for information to, or

(ii) having received information from,

the requested Party.

(n) the term "requested Party" means the Contracting Party—

(i) which is requested to provide information, or

(ii) which has provided information.

(o) the term "information gathering measures" means laws and administrative or judicial procedures that enable a Contracting Party to obtain and provide the requested information;

(p) the term "information" means any fact, statement, document or record in whatever form;

(q) the term "national" means:

(i) any individual possessing the nationality of a Contracting Party;

(ii) any legal person, partnership or association deriving its status as such from the laws in force in a Contracting Party.

2. As regards the application of this Agreement at any time by a Contracting Party, any term not defined therein shall, unless the context otherwise requires or the competent authorities agree to a common meaning pursuant to the provisions of Article 11 of this Agreement, have the meaning that it has at that time under the law of that Party, any meaning under the applicable tax laws of that Party prevailing over a meaning given to the term under other laws of that Party.

ARTICLE 5

Exchange of Information Upon Request

1. The competent authority of the requested Party shall provide upon request information for the purposes referred to in Article 1. Such information shall be exchanged without regard to whether the requested Party needs such information for its own tax purposes or whether the conduct being investigated would constitute a crime under the laws of the requested Party if such conduct occurred in the requested Party.

2. If the information in the possession of the competent authority of the requested Party is not sufficient to enable it to comply with the request for information, that Party shall use all relevant information gathering measures to provide the requesting Party with the information requested, notwithstanding that the requested Party may not need such information for its own tax purposes.

3. If specifically requested by the competent authority of the requesting Party, the competent authority of the requested Party shall provide information under this Article, to the extent allowable under its domestic laws, in the form of depositions of witnesses and authenticated copies of original records.

4. Each Contracting Party shall ensure that its competent authority, for the purposes of this Agreement, has the authority to obtain and provide upon request:

(a) information held by banks, other financial institutions, and any person, including nominees and trustees, acting in an agency or fiduciary capacity;

(b) information regarding the legal and beneficial ownership of companies, partnerships, collective investment funds or schemes, trusts, foundations and other persons, including, within the constraints of Article 2, ownership information on all such persons in an ownership chain; in the case of collective investment funds or schemes, information on shares, units and other interests; in the case of trusts, information on settlors, trustees and beneficiaries; in the case of foundations, information on founders, members of the foundation council and beneficiaries; and equivalent information in case of entities that are not collective investment funds or schemes, trusts or foundations.

5. This Agreement does not create an obligation on the Contracting Parties to obtain or provide ownership information with respect to publicly traded companies or public collective investment funds or schemes unless such information can be obtained without giving rise to disproportionate difficulties.

6. The competent authority of the requesting Party shall provide the following information to the competent authority of the requested Party when making a request for information under the Agreement to demonstrate the foreseeable relevance of the information to the request:

(a) the identity of the person under examination or investigation;

(b) the period for which information is requested;

(c) a statement of the information sought including its nature and the form in which the requesting Party wishes to receive the information from the requested Party;

(d) the tax purpose for which the information is sought;

(e) grounds for believing that the information requested is present in the requested Party or is in the possession or control of a person within the jurisdiction of the requested Party;

(f) to the extent known, the name and address of any person believed to be in possession or control of the requested information;

(g) a statement that the request is in conformity with the laws and administrative practices of the requesting Party, that if the requested information was within the jurisdiction of the requesting Party then the competent authority of the requesting Party would be able to obtain the information under the laws of the requesting Party or in the normal course of administrative practice and that it is in conformity with this Agreement;

(h) a statement that the requesting Party has pursued all means available in its own territory to obtain the information, except those that would give rise to disproportionate difficulties.

7. The competent authority of the requested Party shall forward the requested information as promptly as possible to the requesting Party. To ensure a prompt response, the competent authority of the requested Party shall:

(a) Confirm receipt of a request in writing to the competent authority of the requesting Party and shall notify the competent authority of the requesting Party of deficiencies in the request, if any, within 60 days of the receipt of the request.

(b) If the competent authority of the requested Party has been unable to obtain and provide the information within 90 days of receipt of the request, including if it encounters obstacles in furnishing the information or it refuses to furnish the information, it shall immediately inform the requesting Party, explaining the reason for its inability, the nature of the obstacles or the reasons for its refusal.

ARTICLE 6

Tax Examinations Abroad

1. At the request of the competent authority of the requesting Party, the requested Party may allow representatives of the competent authority of the requesting Party to enter the territory of the requested Party, to the extent permitted under its domestic laws, to interview individuals and examine records with the prior written consent of the individuals or other persons concerned. The competent authority of the requesting Party shall notify the competent authority of the requested Party of the time and place of the intended meeting with the individuals concerned.
2. At the request of the competent authority of one Contracting Party, the competent authority of the other Contracting Party may allow representatives of the competent authority of the first-mentioned Party to be present at the appropriate part of a tax examination in the second-mentioned Party.
3. If the request referred to in paragraph 2 is acceded to, the competent authority of the Contracting Party conducting the examination shall, as soon as possible, notify the competent authority of the requesting Party about the time and place of the examination, the authority or official designated to carry out the examination and the procedures and conditions required by the requested Party for the conduct of the examination. All decisions with respect to the conduct of the tax examination shall be made by the Party conducting the examination.

ARTICLE 7

Possibility of Declining a Request for Information

1. The competent authority of the requested Party may decline to assist:
 - (a) where the request is not made in conformity with this Agreement; or
 - (b) where the requesting Party has not pursued all means available in its own territory to obtain the information, except where recourse to such means would give rise to disproportionate difficulty; or
 - (c) where disclosure of the information would be contrary to public policy (ordre public) of the requested Party.
2. This Agreement shall not impose on a Contracting Party the obligation:
 - (a) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, provided that information described in paragraph 4 of Article 5 shall not be treated as such a secret or trade process merely because it meets the criteria in that paragraph; or
 - (b) to obtain or provide information, which would reveal confidential communications between a client and an attorney, solicitor or other admitted legal representative where such communications are:
 - a. produced for the purposes of seeking or providing legal advice or
 - b. produced for the purposes of use in existing or contemplated legal proceedings; or
 - (c) to carry out administrative measures at variance with the laws and administrative practices of the Contracting Party, provided nothing in this subparagraph shall affect the obligations of a Contracting Party under paragraph 4 of Article 5.
3. A request for information shall not be refused on the ground that the tax claim giving rise to the request is disputed.
4. The requested Party shall not be required to obtain and provide information which the requesting Party would be unable to obtain in similar circumstances under its own laws for the purpose of the administration or enforcement of its own tax laws or in response to a valid request from the requested Party under this Agreement.
5. The requested Party shall not decline to provide information solely because the request does not include all the information required under Article 5 if the information can otherwise be provided according to the law of the requested Party.
6. The requested Party may decline a request for information if the information is requested by the requesting Party to

administer or enforce a provision of the tax law of the requesting Party, or any requirement connected therewith, which discriminates against a national of the requested Party as compared with a national of the requesting Party in the same circumstances.

ARTICLE 8

Confidentiality

Any information received by a Contracting Party under this Agreement shall be treated as confidential and may be disclosed only to persons or authorities (including courts and administrative bodies) in the jurisdiction of the Contracting Party concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by this Agreement. Such persons or authorities shall use such information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions. The information may not be disclosed to any other person or entity or authority or any other jurisdiction without the express written consent of the competent authority of the requested Party.

ARTICLE 9

Administrative costs

1. Unless the competent authorities of the Contracting Parties otherwise agree, ordinary costs incurred in providing assistance shall be borne by the requested Party, and, subject to the provisions of this Article, extraordinary costs incurred in providing assistance (including costs of engaging external advisors in connection with litigation or otherwise necessary to comply with the request) shall, if they exceed USD 500, be borne by the requesting Party.
2. The competent authorities will consult each other, in advance, in any particular case where extraordinary costs are likely to exceed USD 500 to determine whether the requesting Party will continue to pursue the request and bear the cost.
3. The competent authorities shall consult each other as and when necessary with regard to this Article.

ARTICLE 10

Implementation Legislation

The Contracting Parties shall enact any legislation necessary to comply with, and give effect to, the terms of the Agreement.

ARTICLE 11

Mutual Agreement Procedure

1. Where difficulties or doubts arise between the Contracting Parties regarding the implementation or interpretation of the Agreement, the competent authorities shall endeavour to resolve the matter by mutual agreement. In addition, the competent authorities of the Contracting Parties may mutually agree on the procedures to be used under Articles 5, 6 and 9 of this Agreement.
2. The competent authorities of the Contracting Parties may communicate with each other directly for purposes of reaching agreement under this Article.

ARTICLE 12

Entry into Force

1. The Contracting Parties shall notify each other in writing, through diplomatic channels, of the completion of the

procedures required by the respective laws for the entry into force of this Agreement.

2. This Agreement shall enter into force on the date of the later of the notifications referred to in paragraph 1 of this Article and shall thereupon have effect forthwith.

ARTICLE 13

Termination

1. This Agreement shall remain in force until terminated by either Contracting Party.

2. Either Contracting Party may, after the expiry of five years from the date of entry into force, terminate this Agreement by serving a written notice of termination to the other Contracting Party through diplomatic channels.

3. Such termination shall become effective on the first day of the month following the expiration of a period of six months after the date of receipt of notice of termination by the other Contracting Party. All requests received up to the effective date of termination shall be dealt with in accordance with the provisions of the Agreement.

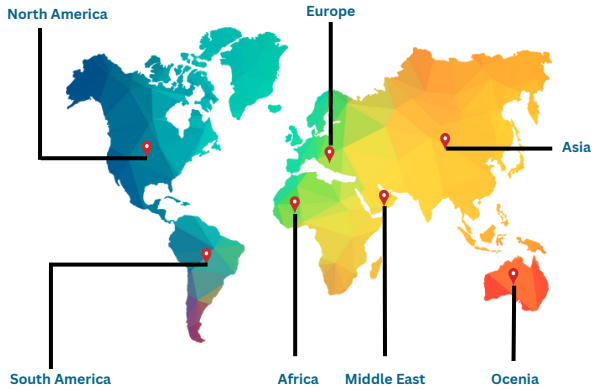
4. Notwithstanding any termination of the Agreement the Contracting Parties shall remain bound by the provisions of Article 8 with respect to any information obtained under the Agreement.

In witness whereof, the undersigned, being duly authorised thereto, have signed this Agreement.

DONE in duplicate at New Delhi this 11th day of April, 2016, each in the English and Hindi languages, both texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.



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