

PRESS RELEASE

The Government of Nepal and the Government of Republic of India has signed on the Double Taxation Avoidance Agreement (DTAA) for avoidance of double taxation and for the prevention of fiscal evasion with respect to taxes on Income. The agreement to this effect was signed and exchanged between the two governments today in Kathmandu. This Agreement shall enter into force on a date to be notified by the both countries.

The agreement will provide tax stability to the residents of both countries and facilitate mutual economic cooperation as well as the flow of investment, technology and services. It will help in boosting overall business and investment climate in Nepal.

In the agreement, there are clear provision of taxation, related to cross border transaction, services and employment. This agreement has also incorporated the provision of exchange of information as per the provision of the Organization for Economic Cooperation and Development (OECD). It facilitates effective tax collection and controlling fiscal evasion.

This agreement was signed by Honorable Mr. Barsha Man Pun, Finance Minister of Nepal and Honorable Shri Pranab Mukherjee, Finance Minister of India on behalf of their respective Governments.

Ministry of Finance

Singh Durbar, Kathmandu

27 November 2011

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