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Info Capsule

REVISED DOUBLE TAXATION AVOIDANCE AGREEMENT (DTAA) BETWEEN INDIA AND KENYA NOTIFIED¹

Revised DTAA to Improve Transparency in Tax Matters, Help Curb Tax Evasion and Tax Avoidance, Remove Double Taxation And will Stimulate the Flow of Investment, Technology And Services Between Both the Countries.

The Double Taxation Avoidance Agreement (DTAA) between India and Kenya was signed and notified in 1985. Subsequently, the DTAA was renegotiated and a revised DTAA was signed between both countries on July 11, 2016. The revised DTAA has been notified in the Official Gazette on February 19, 2018.

Some of the key features of the revised DTAA are highlighted as under:

- i. In order to promote cross border flow of investments and technology, the revised DTAA provides for reduction in withholding tax rates from 15% to 10% on dividends, from 15% to 10% on interest, from 20% to 10% on royalties and from 17.5% to 10% on fees for management, professional and technical services.
- ii. The revised DTAA provides for a new Article on Limitation of Benefits to allow treaty benefits to bonafide residents of both countries, to combat treaty abuse by third country residents and to allow application of domestic law to prevent tax avoidance or evasion.
- iii. The Article on Exchange of Information has been updated to the latest international standard to provide for exchange of information, including banking information for tax purposes, to the widest possible extent.
- iv. A new Article on Assistance in Collection of Taxes has also been provided in the revised treaty which will enable assistance in collection of tax revenue claims between both countries.

The revised DTAA will improve transparency in tax matters, help curb tax evasion and tax avoidance, remove double taxation and will stimulate the flow of investment, technology and services between India and Kenya.

¹ Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1521400>

NITI: LEARNING FROM THE PAST, SHAPING THE FUTURE²

Since its inception NITI Aayog has occupied a niche space in India's policy environment. Through ambitious recommendations and dynamic initiatives, NITI has mobilized its expertise as the 'think-tank' of the government, in areas such as:

- Envisaging a roadmap for revitalizing Indian agriculture and doubling farmer's income
- Framing of new guidelines for devolution of dedicated funds for SC/ST community
- National Energy Policy
- National Nutrition Strategy
- National Medical Council Bill
- National Medical Strategy
- Recommendations on strategic disinvestment of CPSEs
- Formulation of Model Land Leasing Bill
- Development support to the North East through North East Industrial Development Scheme (NEIDS) 2017
- Employment task force
- Appraisal of the 12th Five Year Plan
- Evolving policy on shared and connected mobility
- Holistic development of Islands

NITI Aayog is also directly involved in on-ground policy interventions through various programmes and schemes. Some of these are outlined below.

1. **Atal Innovation Mission:**

Spurring innovation through Atal Tinkering Labs in schools and Atal Incubation Centres across the country, AIM has been a widely popular programme of NITI. Atal Grand Challenges and Tinkering Marathons have encouraged young entrepreneurs across the country to learn, innovate and engage with cutting-edge technology.

- 2441 ATL Schools selected as on Date:
 - 941 Selected in Phase 1 announced from the applications invited in 2016.
 - 1500 Selected in Phase 2 announced on 25-Dec-2017 i.e. on Atal Ji's 93rd Birthday from applications invited in 2017.
 - Grant-in-aid including one-time establishment cost of Rs 10 lakh and operational expenses of Rs 10 lakh for maximum of 5 years for each ATL
 - All States are covered as of now in ATL Selections
- Incubation Centres:
 - Established Incubation Centre: 6 EIC Supported in 16-17. Around 8-10 are in pipeline for approval during 2017-18.
 - Funding support for scaling up of operations of Rs 10 crore for EICs, to be paid in installments
 - Atal Incubation Centre: 13 selected in 16-17, around 20-25 in pipeline for consideration during 17-18. Funding support upto Rs 10 crore for maximum of 5 years

² Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1521400>

2. **Cooperative Federalism**

- Sub-groups of Chief Ministers on critical subjects(April 2017):
 - Restructuring of Centrally sponsored schemes
 - Skill development
 - Swachh Bharat
 - Promotion of Digital Payments
- National consultations with Chief Secretaries of all states and Finance secretaries
- Programme to transform Aspirational Districts by engaging with DMs and Prabhari officers of 115 districts across the country
- Representations made to NITI by groups of Secretaries, creating cross ministry interactions and collaborations

3. **Competitive federalism**

- Introduction of Digital Transformation Index and Innovation Index for ranking states
- Launch of the Health Index, which is to become an annual exercise across the country evaluating health outcomes.
- Organized extensive workshops for consultation with States and UTs on indices
- Sustainable Action for Transforming Human Capital (SATH): handholding for states to develop key indicators across areas of health and education
- School Education Quality Index (SEQI), Composite Water Management Index

4. **Sustainable Development Goals**

- As nodal body for monitoring implementation of SDGs, KPI created by NITI Aayog to assess progress of states
- Draft mapping of goals with measurable indicators

5. **Outcome based evaluation and monitoring across 15 key sectors of the economy**

- Extensive data-based, performance evaluation of states through DMEO dashboard and progress tracker
- A rigorous exercise to bring qualitative improvement in the Output-Outcome Framework by
 - reviewing and identifying relevant outputs and outcomes
 - quantifiable and measurable indicators to monitor
 - Strategic Outcomes Verification Process (SOVP) for performance monitoring
 - Program Evaluation
 - 12 programs evaluated
 - Evaluation report finalised for
 - Prime Minister Employment Generation Programme
 - National Scheduled Caste Finance Development Corporation
 - RTE
 - Harmonized Sarv Siksha Abhiyaan
 - PMAY (Urban)
- Compiling, transmitting and emulating best practices across states.

- SAMAVESH: enabling cooperation between NITI and knowledge, research partners and institutions

6. **National and International Partnerships:**

- NITI Lecture Series: 3 lectures held so far by luminaries on governance
- NITI-DRC dialogue: China Cell constituted at NITI to foster cooperation
- Global Entrepreneurship Summit 2017: US India summit with over 2500 top entrepreneurs, investors, and ecosystem players
- Champions of Change: Facilitated Hon'ble Prime Minister's stakeholder consultation with start-ups and industry for policy inputs across 12 sectors

7. **Adoption of Frontier Technologies**

- NITI Aayog working on a position paper on block chain technology, AI and its applications in governance
- Partnering with state governments/UTs to run pilots on land records, Electronic health records, etc.
- Working on a concept paper for "India Chain" – a shared, India specific block chain infrastructure
- Implementation of MIS database for NITI Aayog
- Arbitration and enforcement in India Conference.
- Digital Hub for Govt. Best Practices for NITI Aayog

8. **Research, Study and Collaborations**

- 5 Research Studies completed
- 7 National Seminars and 2 International Seminars Approved
- 10 New Research Studies approved and 1st instalment Released
- Release of 2nd instalment for 9 Research studies
- 15 Logo support proposals approved

9. **Strengthening Arbitration and Legal Reforms**

- Global Conference on 'Strengthening Arbitration and Enforcement in India'
- Law Day Conference on 'Balancing Roles of Three Wings of the State' in association with Law Commission of India
- Participation of over 1500 participants each day including Hon'ble President, Speaker, Lok Sabha; PM, other Ministers, Judges of Supreme Court, High Court, legal fraternity and academia.

NITI Aayog, as the premier 'think-tank' of the Government of India has been crucial in navigating and charting the course of the country in matters of national and international importance on the economic front, dissemination of best practices from within the country and from other nations, the infusion of new policy ideas and specific issue-based support.

Team ICSI

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