

March 15, 2018

## **CABINET APPROVES AGREEMENT FOR THE AVOIDANCE OF DOUBLE TAXATION AND PREVENTION OF FISCAL EVASION BETWEEN INDIA AND IRAN<sup>1</sup>**

The Union Cabinet, chaired by Prime Minister Shri Narendra Modi has approved an Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income between India and Iran.

The Agreement will stimulate flow of investment, technology and personnel from India to Iran & vice versa, and will prevent double taxation. The Agreement will provide for exchange of information between the two Contracting Parties as per latest international standards. It will thus improve transparency in tax matters and will help curb tax evasion and tax avoidance.

The Agreement is on similar lines as entered into by India with other countries. The proposed Agreement also meets treaty related minimum standards under G-20 OECD Base Erosion & Profit Shifting (BEPS) Project, in which India participated on an equal footing.

In so far as India is concerned, the Central Government is authorized under Section 90 of the Income Tax Act, 1961 to enter into an Agreement with a foreign country or specified territory for avoidance of double taxation of income for exchange of information for the prevention of evasion or avoidance of income-tax chargeable under the Income-tax Act, 1961.

## **INSOLVENCY AND BANKRUPTCY BOARD OF INDIA SIGNS A MEMORANDUM OF UNDERSTANDING WITH THE RESERVE BANK OF INDIA<sup>2</sup>**

1. The Insolvency and Bankruptcy Board of India (IBBI) signed a Memorandum of Understanding (MoU) with the Reserve Bank of India (RBI). The MoU was signed by Mr. Sudarshan Sen, Executive Director of the RBI and Dr. (Ms.) Mamta Suri, Executive Director of the IBBI in the august presence of Mr. Injeti Srinivas, Secretary to Government of India, Ministry of Corporate Affairs; Dr. M. S. Sahoo, Chairperson, IBBI and other distinguished Members of the Insolvency Law Committee (ILC) on the side-lines of the 4th meeting of the ILC at New Delhi.

2. The Insolvency and Bankruptcy Code, 2016 (Code) provides for reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximization of the value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders and, for this purpose, has established an institutional infrastructure comprising of Adjudicating Authorities, the IBBI, insolvency professionals, insolvency professional agencies and information utilities. The IBBI exercises regulatory oversight over the Insolvency Professionals, Insolvency Professional Agencies and Information Utilities. It writes and enforces rules for processes, namely, corporate insolvency resolution, corporate liquidation, individual insolvency resolution and individual bankruptcy under the Code.

3. Both the RBI and the IBBI are interested in the effective implementation of the Code and its allied rules and regulations, through a quick and efficient resolution process. Therefore, they have agreed under the MoU to assist and co-operate with each other for the effective implementation of the Code, subject to limitations imposed by the applicable laws.

<sup>1</sup> Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1524448>

<sup>2</sup> Available at: [http://ibbi.gov.in/webadmin/pdf/whatsnew/2018/Mar/RBI-IBBI%20MoU%20Press%20Release\\_2018-03-12%2017:37:59.pdf](http://ibbi.gov.in/webadmin/pdf/whatsnew/2018/Mar/RBI-IBBI%20MoU%20Press%20Release_2018-03-12%2017:37:59.pdf)

4. The MoU provides for:

- (a) Sharing of information between the two parties, subject to the limitations imposed by the applicable laws;
- (b) Sharing of resources available with each other to the extent feasible and legally permissible;
- (c) Periodic meetings to discuss matters of mutual interest, including regulatory requirements that impact each party's responsibilities, enforcement cases, research and data analysis, information technology and data sharing, or any other matter that the parties believe would be of interest to each other in fulfilling their respective statutory obligations;
- (d) Cross-training of staff in order to enhance each party's understanding of the other's mission for effective utilisation of collective resources;
- (e) Capacity building of insolvency professionals and financial creditors;
- (f) Joint efforts towards enhancing the level of awareness among financial creditors about the importance and necessity of swift insolvency resolution process of various types of borrowers in distress under the provisions of the Code, etc.

**Team ICSI**

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