

**Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes**

**PRESS RELEASE**

New Delhi, 11<sup>th</sup> April, 2016

**Sub: Signing of Agreements with respect to Taxes between India and Maldives-reg-.**

The Government of the Republic of India and the Government of the Republic of Maldives signed two Agreements - for the Exchange of Information with respect to Taxes and for the avoidance of double taxation of income derived from international air transport on 11th April, 2016 during the visit of Hon'ble President of Maldives to New Delhi.

The Agreement for the Exchange of Information with respect to Taxes is based on international standards of transparency and exchange of information. It covers taxes of every kind and description imposed by the Governments of India and Maldives. The Agreement enables exchange of information, including banking information, between the two countries for tax purposes, which will help curb tax evasion and tax avoidance.

The Agreement will enhance mutual co-operation between the two countries by having effective exchange of information in tax matters.

The second Agreement provides for relief from double taxation for airline enterprises of India and Maldives by way of exemption of income derived by the enterprise of India from the operation of aircraft in international traffic, from Maldivian tax and *vice-versa*. The object of the Agreement is that profits from the operation of aircraft in international traffic will be taxed in one country alone and accordingly the taxing right is conferred upon the country to which the enterprise belongs. The Agreement will provide tax certainty for airline enterprises of India and Maldives.

The Agreement further provides for Mutual Agreement Procedure for resolving any difficulties or doubts arising as to the interpretation or application of the agreement.

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Commissioner of Income Tax  
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and Official Spokesperson, CBDT**