

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

PRESS RELEASE

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Sub: Notification of Protocol amending the Double Taxation Amending Convention (DTAC) between India and Japan

The existing Double Taxation Avoidance Convention between India and Japan was signed on 7th March, 1989 and was notified on 1st March 1990. The DTAC was subsequently amended on 24th February, 2006. A Protocol amending the DTAC between India and Japan for the Avoidance of Double Taxation and the Prevention of Fiscal evasion with respect to taxes on income which was signed on 11th December, 2015 has entered into force on 29th October, 2016 on completion of procedural requirements by both countries. The Protocol amending the DTAC aims to promote transparency and cooperation between the two countries.

The Protocol provides for internationally accepted standards for effective exchange of information on tax matters including bank information and information without domestic tax interest. It is further provided that the information received from Japan in respect of a resident of India can be shared with other law enforcement agencies with authorization of the Competent Authority of Japan and vice versa.

The Protocol provides for exemption of interest income from taxation in the source country with respect to debt-claims insured by the Government/Government owned financial institutions.

The Protocol inserts a new article on assistance in collection of taxes. India and Japan shall now lend assistance to each other in the collection of revenue claims.

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