

PREFACE

This book is an attempt to bring to focus the basics of tax laws in India and bilateral tax treaties for avoidance of double taxation with reference to the substantive provisions of law, rules, procedures and working of the treaties. This would be a comprehensive practical guide for finding solution to problems. It deals in detail with the grounds on which relief can be sought from the tax administration under the Income-tax Act, 1961 and the DTAA's. It would be useful to both beginners as well as established ones in tax practice, to tax executives, and the taxpayers.

The introductory Chapters 1-3 narrate various statutory provisions in income tax law in India; the concept and impact of Double Tax Avoidance Agreements on tax position of a taxpayer at a glance; and an eye view of assessment of income and appeals and judicial review in India and provision to seek redress of excessive and uncalled for assessments and treatments.

Chapters 4 and 5 deal with provisions for applicability to persons and taxes covered by the tax treaties.

Chapters 6-10 depict the interpretation of terms used in a DTAA, like core terms, residential status, permanent establishment, specific definitions for a particular Article in a tax treaty and applicability of the domestic tax laws when a term is not defined in the DTAA.

Chapters 11-30 narrate the position of tax jurisdiction of the country of residence of the taxpayer and the source state with withholding tax liability on income from usage of property (income from immovable/house/real property), equipment (business/other sources income), know-how (royalty income), and money (interest income), details of the tax liability on sale, supply and transfer of goods, equipment and know-how, E-Commerce a live and a complicated subject of the present day topic of assessment and jurisdiction with computer technology, shipping and aircrafts, scope of taxability of services, both independent (Professional services, Fee for technical services, directors fee Artists and sportsmen), and dependent services (Employment, Pension and social security, Government services and

students income) other residuary income and capital (like wealth tax in India), including Chapter 16 which deals with arresting possible tax avoidance in transactions between Associated Enterprises and Transfer pricing mechanism with model conventions, Indian tax laws and DTAA guidelines.

Chapter 31 deals with 'limitation of benefits' clause as in US Model Convention and in several DTAA's with India.

Chapters 32-33 cover the contents of double tax avoidance agreements (DTAA), non-discrimination treatment between national, residents and PE/FB of the states.

Chapters 34 to 36 give an overview of the Mutual Agreement Procedure (MAP), Exchange of Information (EOI) for administration of treaties in a smooth and proper perspective and also mutual assistance (MA) as advocated by UN MC whereas OECD believes that this is otherwise covered by the treaty provisions.

Chapter 37, a brief chapter, is devoted to privileges of diplomats and their immunity under the tax treaty as well.

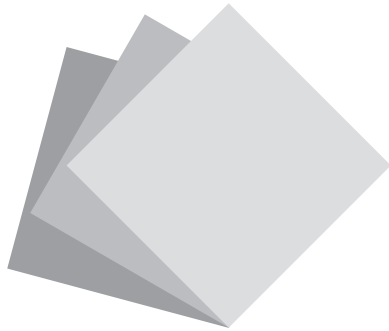
Chapters 38 and 39 deal briefly with regard to territorial extension and entry into force.

Chapter 40 is towards work force management of expatriates with a special part dealing with expatriates, the formalities to come in or go out and assessments insight.

Chapter 41 narrates income of non-residents, exemption and computation of their income and tax.

Six Schedules provided at the end narrate relevant section of Indian Income-tax Act, Safe Harbour Rules, sections of Wealth-tax Act in India, and the three model conventions.

This treatise should be useful handbook for tax practitioners and tax executives in understanding the functioning of the Income-tax Act and Double Taxation Avoidance Agreements which India has entered into in number 84 Comprehensive Treaties with Armeniato... Zambia in alphabetical order; 06 Limited Treaties dealing with Air Traffic & Merchant Shipping with - (i) Afghanistan, (ii) Ethiopia, (iii) Iran, (iv) Lebanon, (v) Pakistan, and (vi) Peoples' Democratic Republic of Yemen; 07 Limited Multilateral Agreements with - (i) Bangladesh, (ii) Bhutan, (iii) Maldives, (iv) Nepal, (v) Pakistan, (vi) SAARC Countries and (vii) Sri Lanka; 03 Other Agreements with - (i) African National Congress Mission, (ii) Income-tax (Double Taxation Relief) (Aden) Rules, 1953 & (iii) Income-tax (Double Taxation Relief) (Dominions) Rules, 1956; 01 Specified Association Agreement - with Taipei and 06 Tax Information Agreements with - (i) Bermuda, (ii) Bahamas, (iii) Isle of man, (iv) British Virgin Islands and (v) Cayman Islands, Jersey.



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