

MINISTRY OF FINANCE

(Department of Revenue)

(INCOME TAX)

NOTIFICATION

New Delhi, the 17th July, 2018

S.O. 3468(E).— Whereas, the Agreement between the Government of the Republic of India and the Government of the State of Qatar for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (hereinafter referred to as the “DTAA”)was signed on the 7th April, 1999;

Whereas, clause (ii) of para 3 of Article 11 of DTTA provides for the mutual agreement for granting exemption from tax on interest derived and beneficially owned by governmental financial institutions/agencies;

And whereas, in accordance with clause (ii) of para 3 of Article 11 a mutual agreement has been reached on the 29th April 2018, through exchange of letter dated the 16th March, 2018 of Republic of India and duly accepted by State of Qatar *vide* their letter dated the 29th April,2018 and the said letters were exchanged between the Republic of India and the State of Qatar (as annexed herewith) for grant of exemption from tax on interest income, in accordance with clause (ii) of paragraph 3 of Article 11 of the India-Qatar DTAA;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 90 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies that the provisions of said Mutual Agreement through exchange of letters, as annexed hereto, shall be given effect to in the Union of India with effect from 29th April, 2018.

ANNEXURE

Letter signed by the Government of the Republic of India on 16th March, 2018

Dear Mr. Ghanim Khalifa Al Attiyah

On behalf of the Government of the Republic of India, I have the honour to refer to the Agreement between the Government of the Republic of India and the Government of the State of Qatar for the avoidance of double taxation and for the prevention of fiscal evasion with respect to taxes on income (DTAA) which came into force on 15th January, 2000.

Considering the proposal on behalf of the Government of the State of Qatar and the proposal on behalf of the Government of the Republic of India, for the purposes of clause (ii) of paragraph 3 of Article 11 of the said DTAA, following governmental financial institutions/agencies are mutually agreed upon between

the two Contracting States for granting tax exemption on interest income under the said Article 11(3)(ii) from the date of reaching this mutual agreement:

- (a) In the case of India, the Export Import Bank of India and Life Insurance Corporation of India; and
- (b) In the case of Qatar, the Qatar Investment Authority and Qatar Holding LLC.

If the foregoing proposal is acceptable to the Government of the State of Qatar, on behalf of the Government of the Republic of India, I have the honour to suggest that the present note be regarded as constituting a mutual agreement reached in terms of clause (ii) of paragraph 3 of Article 11 of the said India-Qatar DTAA between the two Governments, on the day you formally confirm its acceptance.

Regards

Yours sincerely,
Sd/-

(Sushil Chandra)

Letter signed by the Government of the State of Qatar on 29th April, 2018

Dear Mr. Sushil Chandra

On behalf of the Government of the State of Qatar, I have the honour to acknowledge receipt of your note dated 16th March, 2018, which reads as follows:

“ On behalf of the Government of the Republic of India, I have the honour to refer to the Agreement between the Government of the Republic of India and the Government of the State of Qatar for the avoidance of double taxation and for the prevention of fiscal evasion with respect to taxes on income (DTAA) which came into force on 15th January, 2000.

Considering the proposal on behalf of the Government of the State of Qatar and the proposal on behalf of the Government of the Republic of India, for the purposes of clause (ii) of paragraph 3 of Article 11 of the said DTAA, following governmental financial institutions/agencies are mutually agreed upon between the two Contracting States for granting tax exemption on interest income under the said Article 11(3)(ii) from the date of reaching this mutual agreement:

- (a) In the case of India, the Export Import Bank of India and Life Insurance Corporation of India; and
- (b) In the case of Qatar, the Qatar Investment Authority and Qatar Holding LLC.

If the foregoing proposal is acceptable to the Government of the State of Qatar, on behalf of the Government of the Republic of India, I have the honour to suggest that the present note be regarded as constituting a mutual agreement reached in terms of clause (ii) of paragraph 3 of Article 11 of the said India-Qatar DTAA between the two Governments, on the day you formally confirm its acceptance.”

In reply, on behalf of the Government of the State of Qatar, I have the honour to say that the Government of the State of Qatar accepts the proposal made therein and this reply shall constitute a mutual agreement reached today in terms of clause (ii) of paragraph 3 of Article 11 of the India-Qatar DTAA, between the two Governments.

Regards,

Yours sincerely,
Sd/-

Ghanim Khalifa Al Attiyah

[Notification No. 32/2018/ 504/6/2004-FTD-II(Pt.1)]

RAJAT BANSAL, Jt. Secy.