

**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

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**INDIA AND THE GOVERNMENT OF REPUBLIC OF MACEDONIA SIGNED AN  
AGREEMENT FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE  
PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME**

**New Delhi, December 17, 2013**  
**Agrahayana 26, 1935**

Republic of India and Republic of Macedonia signed the new Agreement for the avoidance Of Double Taxation and the prevention of fiscal evasion (DTAA) with respect to taxes on income . The Agreement was signed here today by Mr. Salman Khurshid, the Minister of External Affairs on behalf of India and Mr. Nikola Poposki, the Foreign Minister of Macedonia on behalf of the Republic of Macedonia. Once the DTAA enters into force, it will provide relief to taxpayers from double taxation and thereby, stimulate the flow of capital, technology and personnel between both the countries and will further strengthen the economic relationship between the two countries.

The Salient features of this agreement are as under:

- The agreement provides relief from double taxation to residents of India earning income in Macedonia and residents of Macedonia earning income in India.
- The agreement provides that taxation of dividend, interest and royalty in the source country will not exceed 10 %.
- The agreement provides for taxation of business income in the source country if the taxpayer has a permanent establishment there
- The agreement provides for taxation of capital gains from securities in the source country.
- The agreement has a ‘limitation’ of benefit article which provides that the benefit of this agreement will not be available to entity which has formed mainly to obtain benefits under this agreement.
- The agreement is based on international standard of transparency and exchange of information and provides for exchange of information (including banking information)concerning taxes.
- The agreement has a specific provision that the requested Party shall use its information-gathering measures to obtain the requested information even though that Party may not need such information for its own tax purposes.
- The agreement provides for the representatives of the competent authority of the requesting Party to enter the territory of the requested Party to interview individuals and examine records.
- The Agreement provides for mutual assistance in collection of taxes due in other country.
- This agreement is expected to boost economic relationship between India and Macedonia.

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