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**OECD APPRECIATES INDIA’S EFFORTS IN HANDLING ISSUES RELATING TO TAX  
EVASION AND BLACKMONEY; INDIA AND OECD AGREE TO HAVE ENHANCED  
TAX COOPERATION**

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Organisation for Economic Cooperation and Development (OECD) has appreciated the action taken by India in handling tax evasion and black money issues. During the two day high level Seminar held on 13<sup>th</sup> and 14<sup>th</sup> June on “Adopting Tax System and International Tax Rules to the New Global Environment : a Shared Challenge for India and the OECD” at Vigyan Bhavan in New Delhi, both OECD and India decided to enhance their cooperation in dealing with issues relating to transfer pricing and promote better tax compliance and measures to improve the prevention and regulation of cross border dispute. Both agreed for enhanced tax cooperation and suggest measures which will provide greater certainty to both taxpayers and the Governments. During the two day seminar, participants explored some of the most complex challenges posed by the taxation of multi-national enterprises in a global economy. The seminar was attended by 170 officials from India and a dozen from other OECD and non-OECD countries.

India has been actively involved in the OECD Committee on Fiscal Affairs and its working parties since 2006. It plays a lead role in the Global Forum on Transparency and Exchange of Information for Tax Purposes and is an active member of the OECD’s multi-stakeholder Task Force on Tax and Development. India recently become a full member of the OECD Network on Fiscal Relations Across Levels of Government, and will host a major conference in December 2011: the International Tax Dialogue Global Conference on Tax and Inequality.

Earlier addressing the International Seminar on the inaugural day, the Union Minister of Finance, Shri Pranab Mukherjee welcomed the opportunity to strengthen India’s engagement with the OECD in the tax area. He particularly appreciated the work being done to counter offshore non-compliance by Indian residents. Shri Mukherjee stated that at a time when we need revenues to close budget deficits, we must have a fairer sharing of the tax burden. Addressing the Seminar, OECD Secretary-General Mr. Angel Gurría said that the phenomenal economic advances India has made in recent years and its growing integration into the global economy have exposed its tax policies to the same challenges facing the industrialised countries, notably how to adapt its domestic tax system and its international tax policies to a borderless economy, and how to ensure that the approaches embraced today will be well-suited to meet tomorrow’s needs. He said that deepening the relationship between the OECD and India will allow OECD to offer to Indian officials a forum for sharing experiences and expertise, for benchmarking national policies against best practices and jointly identifying solutions to commonly shared problems.

At the Seminar, the India and OECD announced plans to strengthen ongoing co-operation on tax-related issues through the development of a three-year partnership that will provide greater opportunities for structured dialogue and sharing of information. The proposed partnership will build on existing engagements and further enhance Indian participation in the OECD’s global initiatives. The three-year programme will broaden existing technical cooperation on tax matters and extend high-level policy dialogue between India and the OECD. It will also deepen India’s participation in the OECD Committee on Fiscal Affairs and its subsidiary bodies.

**DSM/SS/GN**