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GOVERNMENT OF INDIA**

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**INDIA SIGNS REVISED DTAA WITH INDONESIA FOR THE  
AVOIDANCE OF DOUBLE TAXATION AND FOR THE PREVENTION OF  
FISCAL EVASION WITH RESPECT TO TAXES ON INCOME**

**New Delhi: Shravana 09, 1934  
July 31, 2012**

The Government of the Republic of India signed a revised Double Taxation Avoidance Agreement (DTAA) with the Government of the Republic of Indonesia for the avoidance of double taxation and for the prevention of fiscal evasion with respect to taxes on income on 27<sup>th</sup> July, 2012 at Hyderabad House, New Delhi. Shri. S. M. Krishna, Minister for External Affairs signed the revised DTAA on behalf of India and Dr. R. M. Marty M. Natalegawa, Indonesian Foreign Minister signed on behalf of Indonesia.

The revised DTAA gives taxation rights in respect of capital gains on alienation of shares of a company to the source State. The Agreement further provides for rationalisation of the tax rates on dividend income, royalties and Fees for Technical Services in the source State up to 10% threshold limit.

The revised DTAA further incorporates provisions for effective exchange of information including banking information and sharing of information without domestic tax interest. The revised DTAA also provides for assistance in collection of taxes between tax authorities and incorporates Limitation of Benefits and anti-abuse provisions to ensure that the benefits of the Agreement are availed of by the genuine residents.

The revised DTAA will provide tax stability to the residents of India and Indonesia and facilitate mutual economic cooperation as well as stimulate the flow of investment, technology and services between India and Indonesia.

**DSM/SS/GN**