

Swiss-Indian Joint statement

Revenue Secretary Shaktikanta Das and State Secretary Jacques de Watteville met today in Berne to discuss bilateral and multilateral topics related to fiscal and financial matters. Noting with satisfaction the strong economic ties linking India and Switzerland, they agreed that the ongoing dialogue between the two countries offers a great opportunity of working together in the future. Secretary Das stressed on the high priority given by India to tackling tax evasion. Welcoming the recent developments in the field of international taxation, including the new international standard for automatic exchange of information (AEOI) and the BEPS project, the Revenue Secretary and State Secretary reaffirmed their countries' commitment to combatting tax fraud and evasion within the applicable legal framework.

With regard to the application of the Swiss-Indian Double Taxation Agreement as revised by the Protocol of 30 August 2010, both sides acknowledged the progress achieved in the bilateral cooperation between the two countries while noting there were still ongoing discussions on certain issues. Das and de Watteville reaffirmed their respective positions in this regard. State Secretary de Watteville indicated that Switzerland would be willing to examine requests for which investigations have been carried out independently from what the Swiss government considers as data obtained in breach of Swiss law. Mr. Adrian Hug, Director of the Swiss Federal Tax Administration, agreed that the Swiss competent authority would assist in obtaining confirmation of the genuineness of bank documents on request by the Indian side and also swiftly provide information on requests related to non-banking information. In order to deal expeditiously with pending cases, Mr. Das agreed to indicate to the Swiss competent authority which cases should be dealt with as a matter of priority and to give additional information where appropriate. On this basis, the Swiss competent authority will provide the Indian side with the requested information in a time-bound manner or else indicate the reasons why the cases cannot be answered within the agreed timeline. As a matter of principle, the Revenue Secretary and State Secretary decided that the competent authorities of the two countries should continue their regular consultations to come up with effective and pragmatic solutions agreeable to both sides in accordance with their legal order and international obligations.

Revenue Secretary Das and State Secretary de Watteville acknowledged AEOI as an effective instrument to tackle tax fraud and evasion on a global scale. They recalled that India belongs to the group of the early adopters. They noted with satisfaction that the Swiss Federal Council has confirmed to the Global Forum on transparency and exchange of information for tax purposes (Global Forum) its intention to have the necessary laws in place to implement the new standard by 2017/2018 without prejudice to Switzerland's parliamentary approval procedure. In this context, Mr. de Watteville noted India's wish to engage in discussions aimed at concluding an AEOI agreement between India and Switzerland. While referring to the parameters defined by the Swiss Federal Council in approving the negotiation mandates on 8 October 2014, he assured Secretary Das that Switzerland would commence talks with India in this regard at the earliest after completion of its domestic procedures.

Mr. Das and Mr. de Watteville acknowledged the important role played by the Global Forum in fostering tax compliance worldwide. In view of the forthcoming plenary meeting of the Global Forum in Berlin, India acknowledged Switzerland's view that the Global Forum should offer a fair and equal treatment of all jurisdictions undertaking a peer review. In this regard, Mr Das noted the progress achieved by Switzerland in the peer review process in the context of Switzerland's supplementary report.

Revenue Secretary Das and State Secretary de Watteville agreed to continue the ongoing dialogue between India and Switzerland on tax and financial matters in a spirit of mutual cooperation.

Berne, 15 October 2014

Jacques de Watteville
State Secretary for International Financial
Matters, Switzerland

Shaktikanta Das
Revenue Secretary, Government of India