

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART-II,
SECTION 3, SUB-SECTION (ii)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(Department of Revenue)

NOTIFICATION
(INCOME TAX)

New Delhi, the th 4 July, 2013

S.O. _____.- Whereas the annexed Protocol amending the Convention between the Government of the Republic of India and the Government of the People's Republic of Bangladesh for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (hereinafter referred to as "Protocol") signed on the 16th day of February, 2013 shall enter into force on the 13th day of June, 2013, being the date of the later of the notifications after completion of the procedures as required by the laws of the respective countries for the entry into force of the Protocol, in accordance with the provisions of Article 3 of the said Protocol.

Now, therefore, in exercise of the powers conferred by section 90 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby directs that all the provisions of the Protocol annexed hereto shall be given effect to in the Union of India with effect from the 13th day of June, 2013.

[Notification No. 50 /2013 F.No.500/27/2007-FTD-II]


K. RAMALINGAM

Joint Secretary to the Government of India

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5/7/13

PROTOCOL AMENDING THE CONVENTION BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDIA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

The Government of the Republic of India and the Government of the People's Republic of Bangladesh,

Desiring to amend the Convention between the Government of the Republic of India and the Government of the People's Republic of Bangladesh for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed at New Delhi on the 27th day of August 1991 (in this Protocol referred to as "the Convention"),

Have agreed as follows:

Article 1

The Convention is amended by omitting Article 21 and substituting:

"Article 21 - STUDENTS

1. A student who is or was a resident of one of the Contracting States immediately before visiting the other Contracting State and who is present in that other Contracting State solely for the purpose of his education or training, shall be exempt from tax in that other State on:

- (a) grants, allowances, scholarships or awards; or
- (b) payments made to him by persons residing outside that other State for the purposes of his maintenance, education or training; or
- (c) remuneration which he derives from an employment which he exercises in the other Contracting State if the employment is directly related to his studies.

2. The benefits of this Article shall extend only for such period of time as may be reasonable or customarily required to complete the education or training undertaken, but in no event shall any individual have the benefits of this Article, for more than six consecutive years from the date of his first arrival in that other State for the purpose of his education or training."

Article 2

The Convention is amended by omitting Article 28 and substituting:

"Article 28 - EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information (including documents and certified copies thereof) as is foreseeably relevant for carrying out the provisions of this Convention or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Convention. The exchange of information is not restricted by Articles 1 and 2.
2. Any information received under paragraph 1 by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to the taxes referred to in paragraph 1, or the oversight of the above. Such persons or authorities shall use the information only for such purposes and may disclose the information in public court proceedings or in judicial decisions. The information may not be disclosed to any other authority or enforcement agency of the requesting Contracting State without the express written consent of the competent authority of the requested Contracting State.
3. In no case shall the provisions of paragraphs 1 and 2 be construed so as to impose on a Contracting State the obligation:
 - (a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;
 - (b) to supply information (including documents and certified copies thereof) which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;
 - (c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information the disclosure of which would be contrary to public policy (*ordre public*).
4. If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other State may not need such information for its own tax purposes. The obligation contained in the preceding

sentence is subject to the limitations of paragraph 3 but in no case shall such limitations be construed to permit a Contracting State to decline to supply information solely because it has no domestic interest in such information.

5. In no case shall the provisions of paragraph 3 be construed to permit a Contracting State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person."

Article 3
ENTRY INTO FORCE

The Contracting States shall notify each other in writing through diplomatic channel of the completion of their domestic requirements for the entry into force of this Protocol. The Protocol, which shall form an integral part of the Convention, shall enter into force on the date of the last notification, and thereupon shall have effect from the date of entry into force of this Protocol.

IN WITNESS WHEREOF the undersigned, duly authorised, have signed this Protocol.

DONE in duplicate at Dhaka, Bangladesh this 16th day of February, 2013, in the Hindi, Bengali and English languages, all texts being equally authentic. In the case of divergence of interpretation the English text shall prevail.

FOR THE GOVERNMENT OF
THE REPUBLIC OF INDIA

(Pankaj Saran)
High Commissioner
of India to Bangladesh

FOR THE GOVERNMENT OF
THE PEOPLE'S REPUBLIC OF
BANGLADESH

(Md. Ghulam Hussain)
Secretary
Internal Resources Division
and
Chairman, National Board of Revenue