

TIEA with Marshall Islands

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India's Tax information exchange agreement (TIEA) with Marshall Islands

Polity, IR– Global groupings and agreements involving India and/or affecting India's Interests & **Economy**– Tax reforms

Recently India has notified a tax information exchange agreement (TIEA) with the Marshall Islands. The TIEA for exchange of information with respect to taxes was signed in March 2016 at Majuro, the Capital of the Marshall Islands. India notified the TIEA on May 21, 2019.

Key features of the agreement

- A TIEA is a mutual agreement between countries that is a tax treaty variant specifically entered into by governments to exchange information relevant to the administration and enforcement of the domestic tax laws of the contracting parties.
- The key purpose of this arrangement is to promote international cooperation in tax matters by exchanging tax related information.
- The OECD is the original proponent of TIEAs. They were developed by its Global Forum Working Group on Effective Exchange of Information to address harmful tax practices.
- The agreement enables exchange of information, including banking and ownership information, between the two countries for tax purposes
- The TIEA is based on international standards of tax transparency and exchange of information and enables the sharing of information on request.
- The agreement also provides for representatives of one country to undertake tax examinations in other

countries.

- However, TIEAs are not binding instruments and can be terminated as stipulated in the agreements.
- The agreement will enhance mutual cooperation between India and the Marshall Islands by providing an effective framework for exchange of information on tax matters which will help curb tax evasion and tax avoidance.
- As of May 2019 India, has entered into 21 TIEA arrangements with the following countries: Argentina, Bahamas, Bahrain, Belize, Bermuda, British Virgin Islands, Cayman Islands, Gibraltar, Guernsey, San Mario, Isle of Man, Jersey, Liberia, Macao Sar, Maldives, Liechtenstein, Monaco, Saint Kitts and Nevis, and Seychelles.
- Very recently. India and Brunei Darussalam, a Southeast Asian country signed a TIEA.