

## Tax Hotline

July 05, 2006

### FINANCE MINISTER ON INDIA-MAURITIUS TAX TREATY

Yesterday, based on a media report, we sent out an alert that the Indian Government is proposing to re-negotiate the India-Mauritius tax treaty and introduce a limitation of benefits clause to prevent its misuse.

Today, the Indian Finance Minister, Mr.P.Chidambaram has clarified that this is a sensitive matter for Mauritius. He said that they are trying to negotiate and he cannot take unilateral decision in this regard. There are political and diplomatic sensitivities. He made it clear that nobody can take unilateral decision in a matter as sensitive as Indo-Mauritius treaty.

At this stage, there is no indication that the Mauritius government will agree to such a proposal. Further, there are some tax treaties which India has with other countries under which similar capital gains tax exemption is available, without any conditions. This would make it more difficult for India to re-negotiate the treaty with Mauritius.

- **Daksha Baxi & Shefali Goradia**

Source: *The Economic Times*, July 5, 2006

### DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

## Research Papers

### Structuring Platform Investments in India For Foreign Investors

March 31, 2025

### India's Oil & Gas Sector— at a Glance?

March 27, 2025

### Artificial Intelligence in Healthcare

March 27, 2025

## Research Articles

### 2025 Watchlist: Life Sciences Sector India

April 04, 2025

### Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

### INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

## Audio

### CCI's Deal Value Test

February 22, 2025

### Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

### Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

## NDA Connect

Connect with us at events, conferences and seminars.

## NDA Hotline

[Click here to view Hotline archives.](#)

## Video

Vyapak Desai speaking on the danger of deepfakes | Legally Speaking with Tarun Nangia | NewsX

April 01, 2025

**Vaibhav Parikh, Partner, Nishith  
Desai Associate on Tech, M&A, and  
Ease of Doing Business**

March 19, 2025

**SIAC 2025 Rules: Key changes &  
Implications**

February 18, 2025