

## Joint Statement

In furtherance to the meeting of Prime Minister Narendra Modi and President Johann Schneider-Ammann at Geneva on 6 June 2016 and in continuation with the Secretary level talks in October 2014, India's Revenue Secretary Hasmukh Adhia and Switzerland's State Secretary Jacques de Watteville met today at New Delhi. They engaged in constructive dialogue on wide ranging bilateral and multilateral tax and financial issues. The talks reflected the increasing cooperation in tax matters as well as the strong political, economic and cultural ties between India and Switzerland. As a follow up of the meeting between the Indian Prime Minister and the Swiss President, representatives of both sides held in-depth discussions on current challenges relevant for both countries. Revenue Secretary Adhia and State Secretary de Watteville recognized the benefits of ongoing dialogue and mutual exchange for attaining effective and sustainable results in bilateral tax and financial cooperation.

Revenue Secretary Adhia and State Secretary de Watteville acknowledged the efforts made towards enhancing bilateral tax cooperation since the last high-level meeting in October 2014 and encouraged the competent authorities of both countries to continue with the regular bilateral meetings and contacts to further improve the cooperation under the Swiss-Indian Double Taxation Agreement, as revised by the Protocol of 30 August 2010. The Secretaries agreed that such contacts facilitate a common understanding of each other's concerns so as to ensure that the requests are dealt with quickly and efficiently. To begin with, a team of officers from India would visit Switzerland for bilateral discussions towards expeditious resolution of pending exchange of information requests. On the issue of requests based on what Switzerland considers as data obtained in breach of Swiss law, Revenue Secretary Adhia, while reaffirming India's position that Switzerland should share information in all cases in accordance with its treaty obligations, noted the progress made in a number of Indian requests based on investigations carried out independently of the 'stolen data'. Secretary Adhia welcomed the decision of the Swiss Federal Council to dispatch to the Swiss Parliament a proposal to revise the Tax Administrative Assistance Act in order to clarify, in accordance with the OECD standard, the possibility to cooperate on requests based on data obtained in breach of Swiss law. A timely revision of the Swiss law in respect of stolen data would take the Indo-Swiss tax cooperation to a new level.

Reiterating their countries' commitment to combat tax fraud and evasion within the applicable legal framework, Secretary Adhia and State Secretary de Watteville expect that the progress made by Switzerland in the field of administrative assistance in tax matters would be appropriately reflected in Switzerland's phase 2 review by the Global Forum on

Transparency and Exchange of Information for Tax Purposes (Global Forum). More generally, the Revenue Secretary and the State Secretary acknowledged the work of the Global Forum towards establishing a genuine worldwide level playing field for tax transparency. Referring to the G20 Finance Ministers and Central Bank Governors Meeting held in Washington D.C. in April 2016, the Anti-Corruption Summit held in London in May 2016 and in view of the recent challenges posed by the Panama Papers, Secretary Adhia and State Secretary de Watteville recognized the need to take firm collective action on improving basic, legal and beneficial ownership information of legal persons and legal arrangements, while underlining the importance of full implementation of FATF standards in this regard.

The discussions showed a convergence of views with regard to tackling offshore tax evasion. State Secretary de Watteville informed that Switzerland now has the necessary legal bases to begin with the implementation of automatic exchange of information (AEOI) under common reporting standard (CRS). Recalling the commitment of both the countries to the global standard on AEOI, Secretary Adhia and State Secretary de Watteville initiated discussions for the implementation of AEOI between the two countries and agreed to work towards concluding the agreement within a reasonable timeframe keeping in view their national parliamentary procedures and the need of a level playing field. They agreed that experts of both countries would convene swiftly at technical level not later than mid-September 2016 to further discuss the modalities for the reciprocal bilateral implementation of AEOI between India and Switzerland with the view to reaching an agreement at the earliest, possibly by the end of the year.

Both representatives expressed support for the work of the G20 and the OECD in the field of international economic cooperation. They shared the view that coordinated international actions, as in the case of tax base erosion and profit shifting, are central to achieving a sustainable development path, especially for developing countries. They welcomed the recent adoption of measures to address base erosion and profit shifting under the umbrella of the OECD/G20 BEPS Project, as well as the establishment of an Inclusive Framework to assist and review the implementation of the BEPS package. Both sides look forward to working closely together under the new Inclusive Framework to ensure a smooth implementation of the minimum standard. Revenue Secretary Adhia and State Secretary de Watteville shared their expectation that the results achieved in the BEPS Project should prevent the proliferation of uncoordinated unilateral defensive measures. In the context of transfer pricing and the resolution of cases of possible double taxation, they agreed that efficient and swift procedures are essential to foster cross-border economic exchanges. Finally, both representatives stressed the importance of reaching a worldwide level playing

field as regards fair corporate taxation and concurred that all relevant and interested jurisdictions should commit to the new minimum standards and participate in the framework.

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

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Hasmukh Adhia  
Revenue Secretary, Government of India

Jacques de Watteville  
State Secretary for International Financial  
Matters, Switzerland