

## Tax Hotline

August 23, 2005

### INDIA-MAURITIUS TAX TREATY MAY BE REVIEWED

Foreign Investors routing their investments through Mauritius may face the brunt once again. There is yet another twist in the India-Mauritius ("I-M") tax treaty saga. India has proposed a re-negotiation of the existing I-M tax treaty as part of the ensuing negotiations on the I-M Comprehensive Economic Co-operation Agreement ("CECA") so as to include safeguards against third country residents from enjoying the I-M tax treaty benefits. The Government of Mauritius, however, has not yet responded to this issue.

India has informed Mauritius that all aspects of the CECA pertaining to preferential trade agreement, free trade agreement, tax treaty, customs co-operation agreement and investment protection agreement should be taken up for discussion soon. If Mauritius agrees to the re-negotiation of the tax treaty with India, India may push to incorporate the "limitation on benefits" clause in the I-M tax treaty to check the usage of conduit companies for claiming treaty benefits. The recently amended India-Singapore tax treaty provides for a limited version of "limitation on benefits" clause.

It remains to be seen whether Mauritius would agree to renegotiate the tax treaty and consent to the inclusion of "limitation on benefits" clause along the lines of the India-Singapore tax treaty, if not a comprehensive one. In any case, this process would involve several rounds of negotiations and even if the I-M tax treaty is amended, it should come into effect only prospectively.

Source: Economic Times - August 20, 2005

### 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

### Evolution of Generative AI

July 11, 2024

### From Capital to Impact: Role of Blended Finance

June 15, 2024

### Opportunities in GIFT City

June 14, 2024

## Research Articles

### Private Client Insights - Sustainable Success: How Family Constitutions can Shape Corporate Governance, Business Succession and Familial Legacy

January 25, 2024

### Private Equity and M&A in India: What to Expect in 2024?

January 23, 2024

### Emerging Legal Issues with use of Generative AI

October 27, 2023

## Audio

### Pursuing Remedies against Non-signatories in Investment Agreements

July 03, 2024

### Why is the ad industry unhappy with MIB's self-declaration mandate?

June 18, 2024

### Incorporation of arbitral clause by reference: Position in India and other Asian Jurisdictions

June 12, 2024

## NDA Connect

Connect with us at events, conferences and seminars.

## NDA Hotline

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

## Video

### Self Declaration Certificate For Ads: Decoding The Complexities Of Ad Regulations

July 08, 2024

**Future of India-Mauritius tax treaty –  
Impact of new Protocol on M&A  
deals and Private Equity structures**

April 23, 2024

**Q&A 2024 Protocol to the Mauritius  
India Tax Treaty**

April 22, 2024