

No.402/92/2006-MC (15 of 2010)
Government of India / Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi dated 13th April 2010

PRESS RELEASE

The Central Government have approved notification of the following areas as ‘specified territory’ for the purpose of Explanation 2 to Section 90 of the Income Tax Act 1961 – (i) Bermuda, (ii) British Virgin Islands, (iii) Cayman Islands, (iv) Gibraltar, (all British Overseas Territories); (v) Guernsey, (vi) Isle of Man, (vii) Jersey, (all British Crown Dependencies); (viii) Netherlands Antilles (an Autonomous Part of the Kingdom of Netherlands); and (ix) Macau (a Special Administrative Region of the People’s Republic of China).

Section 90 of the Income Tax Act was amended by the Finance Act 2009 to enable the Central Government to enter into an agreement with any specified territory outside India, in addition to the already existing provision of agreement with the government of any country. Explanation 2 provides for notification of such specified territories. Now the Central Government can initiate and negotiate agreements for exchange of information for the prevention of evasion or avoidance of income tax and assistance in collection of income tax with these nine specified territories.

The notification of Hong Kong, a Special Administrative Region of the People’s Republic of China, as a specified territory for the purpose of Section 90 of the Income Tax Act 1961 is also under process.

[Notification No. 22 of 2010; F.No.142 / 5 / 2010-SO (TPL)]