

**Revised Double Taxation Avoidance Agreement (DTAA) between India and Kenya notified;**  
Ministry of Finance

## **Revised Double Taxation Avoidance Agreement (DTAA) between India and Kenya notified;**

**Revised DTAA to improve transparency in tax matters, help curb tax evasion and tax avoidance, remove double taxation and will stimulate the flow of investment, technology and services between both the countries.**

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The Double Taxation Avoidance Agreement (DTAA) between India and Kenya was signed and notified in 1985. Subsequently, the DTAA was renegotiated and a revised DTAA was signed between both countries on 11<sup>th</sup> July, 2016. The revised DTAA has been notified in the Official Gazette on 19<sup>th</sup> February, 2018.

Some of the key features of the revised DTAA are highlighted as under:

- i. In order to promote cross border flow of investments and technology, the revised DTAA provides for reduction in withholding tax rates from 15% to 10% on dividends, from 15% to 10% on interest, from 20% to 10% on royalties and from 17.5% to 10% on fees for management, professional and technical services.
- ii. The revised DTAA provides for a new Article on Limitation of Benefits to allow treaty benefits to bonafide residents of both countries, to combat treaty abuse by third country residents and to allow application of domestic law to prevent tax avoidance or evasion.
- iii. The Article on Exchange of Information has been updated to the latest international standard to provide for exchange of information, including banking information for tax purposes, to the widest possible extent.
- iv. A new Article on Assistance in Collection of Taxes has also been provided in the revised treaty which will enable assistance in collection of tax revenue claims between both countries.

The revised DTAA will improve transparency in tax matters, help curb tax evasion and tax avoidance, remove double taxation and will stimulate the flow of investment, technology and services between India and Kenya.

**DSM/RM**

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