DIRECTORATE OF DISTANCE EDUCATION
NALSAR UNIVERSITY OF LAW, HYDERABAD

M.A. (International Taxation)

Academic Year: 2022-2023

Fourth Semester - End Semester Examination (June, 2023)

Paper II– 2.4.14. Exchange of Information and Enforcement

Duration of the Examination: 2 ½ hours **Total Marks : 70 marks**

INSTRUCTIONS TO CANDIDATES

a) **Read the instructions carefully and adhere to the same.**
b) **Please mention your DDE ID No., date of the exam, name of the programme & subject on the Answer Sheet and the Additional Answer Sheets, if any.**
c) **The questions to be interpreted as given and no clarification can be sought from the Invigilator.**
d) **Clearly indicate the question numbers while answering them. Answers without question numbers / wrong question numbers will not be evaluated.**
e) **Write the answers clearly and neatly. Answers in illegible handwriting will not be taken into consideration.**
f) **Candidates are prohibited to carry phones or any other electronic devices, books, material etc. in the Examination Hall.**
g) **Copying is strictly prohibited and is considered as a serious academic mis-conduct and the University will take action as it deems fit.**

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1) Write a short note on Tax Information Exchange Agreement (TIEA) **(25 marks)**

2) **a)** What is the significance of having exchange of information in the tax treaties?

(10 marks)

b) Identify whether in the situations stated below Contracting States are obliged to provide information in response to request for information:

Bank B is a bank established in State B. State A taxes its residents on the basis of their worldwide income. The competent authority of State A requests that the competent authority of State B provide the names, date and place of birth and account balances (including financial assets held in such accounts) of residents of State A that have an account with, hold signatory authority over with Bank B in

State B. The request states that Bank B is known to have a large group of foreign account holders but does not contain any additional information.

A company in State A sells goods through company in State C (possibly a low-tax country) to a company in State B. The companies may or may not be associated. There is no convention between State A and State C, nor between State B and State C. Under the convention between A and B, State A with a view to ensuring the correct application of the provisions of its domestic laws to the profits made by the company situated in its territory, asks State B what price the company in State B paid for the goods. **(15 marks)**

3) Write a short note on Art 27 on assistance on collection of taxes **OR** FATCA -Foreign Account Tax Compliance Act

(**20 marks)**

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