

PAKISTAN AND LATVIA ARRIVE AT AGREEMENT ON AVOIDANCE OF DOUBLE TAXATION AND PREVENTION OF TAX EVASION

Pakistan and Latvia today initialed the Agreement for Avoidance of Double Taxation with Respect to Taxes on Income and Prevention of Tax Evasion and Avoidance (ADTA) after the conclusion of second round of negotiations at Islamabad. The initialing ceremony was overseen by Dr. Muhammad Iqbal, Member (Inland Revenue Policy), FBR. Mr. Mohammad Iqbal, head of Pakistan delegation and Mr. Andrejs Birums, head of Latvian delegation initialed the ADTA.



The Avoidance of Double Taxation Agreement between Pakistan and Latvia will reduce tax impediments to cross-border trade and investment by assisting taxpayers and tax administrations of the respective countries. The ADTA between the two countries will help in increasing bilateral trade and investment besides promoting exchange of goods and services and movement of capital and persons between the two countries. It will also provide certainty of tax treatment in each country so that the investors are free from any fear or apprehension. Moreover, through the exchange of information mechanism, information could be obtained on request basis for the administration or enforcement of the domestic tax laws which will help minimize the possibility of tax evasion.

Both Pakistan and Latvia will now complete their respective internal procedures for the signing and ratification of the ADTA.