Pakistan and Netherlands renegotiate Avoidance of Double Taxation Agreement

The Ambassador of the Kingdom of Netherlands to Pakistan, Ms. Jeannette Seppen, visited FBR Headquarters on 20th February, 2017 to mark the commencement of the negotiations on a new Avoidance of Double Taxation Agreement between Pakistan and Netherlands. Dr. Muhammad Irshad, Chairman FBR/Secretary, Revenue Division welcomed the Ambassador and the visiting delegation from Netherlands.

The Chairman, FBR in his opening remarks highlighted the importance of Double Taxation Agreements to resolve double taxation issues which might arise in levying personal and corporate income tax on cross-border activities. The Chairman, FBR said that such Agreements encourage cross border trade and investment by assuring certainty of tax treatment and removal of double taxation of the same income in the two contracting states. The Chairman, FBR said that many changes have occurred in the recent past, both in the global and domestic tax and economic environments across the world. The business patterns have changed which now require specific tax treatments.

The Chairman further said that FBR would like to foster its relationship with the Ministry of Finance of Netherlands in various OECD initiatives such as BEPS Package and Automatic Exchange of Information. He said that the two countries can move forward in the areas of mutual assistance in tax matters and all the three types of the exchanges of information.
Mr. Rematullah Khan Wazir, Member (Inland Revenue Policy) said Pakistan and the Netherlands have Avoidance of Double Agreement in place since 1982 which has been functioning very well. In 2014, the Netherlands proposed certain amendments in the existing treaty. Pakistan welcomed the proposal of renegotiation and has also proposed certain provisions to be incorporated in the existing treaty.

The Ambassador of Netherlands, Her Excellency Ms. Jeannette Seppen in her remarks said that Pakistan and Netherlands enjoy friendly relationship and highlighted various areas of cooperation amongst the two countries. She thanked the Chairman for the invitation to FBR and expressed hope that the negotiation teams will create a win-win situation for both the countries and come up with an agreement which encourage trade and investment between Pakistan and Netherlands.