



**BACKGROUND** Tax treaties play an important role in the field of international taxation. The key objectives of a tax treaty are to prevent double taxation, foster investments and exchange information and assistance in collection of taxes between countries. Generally, the tax treaties are based on OECD Model Convention (OECD MC) or UN Model Convention. The main objective of the OECD is to clarify, standardise and confirm the fiscal situation of taxpayers who are engaged in commercial, industrial, financial or any other activities in other countries through the application by all countries of common solutions to identical cases of double taxation. OECD Commentary provides guidance on interpretation of provisions of articles of OECD MC and serves as a tool in interpretation of tax treaties . As per OECD, the worldwide recognition of the provisions of the Model Convention and their incorporation into a majority of bilateral conventi.....