

Treasury Announces Agreement on the Transition from Existing Indian Equalization Levy to New Multilateral Solution Agreed by the OECD-G20 Inclusive Framework

November 24, 2021

WASHINGTON – Last month, an historic agreement was reached between 137 countries of the OECD-G20 Inclusive Framework – representing nearly 95% of the world’s GDP – on a two Pillar package of reforms to the international tax framework to be implemented in 2023.

These reforms will provide for a tax framework that is fairer, more stable, and better equipped to meet the needs of a 21st century global economy.

In support of that agreement, the United States supports India’s announcement of their agreement to a transition from the existing India equalization levy to the new multilateral solution, and India and the United States have committed to working together through constructive dialogue on this matter.

This compromise represents a pragmatic solution that helps ensure that countries can focus their collective efforts on the successful implementation of the OECD/G20 Inclusive Framework’s historic agreement on a new multilateral tax regime and allows for the termination of trade measures adopted in response to the Indian equalization levy.

Overall, this political agreement is yet further demonstration of our commitment to working together to reach consensus, and to deliver far-reaching multilateral reforms that help support our national economies and public finances.

###