

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
UNSTARRED QUESTION NO. 2292
ANSWERED ON 21/03/2023

BLACK MONEY DEPOSITED OVERSEAS

2292: SHRI ELAMARAM KAREEM:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government is having any estimate of the black money being deposited by Indians in overseas banks;
- (b) the actions taken by Government to bring back that black money to the country;
- (c) how much black money was brought back to India since 2018 and who are the persons identified in this and the actions taken against these persons; and
- (d) the manner in which Government will utilise the black money brought back from overseas?

ANSWER

MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) Determination of tax residence in India, as per the Income-tax Act, 1961, is not dependent on the country of origin of the individual concerned. Therefore, a citizen of India or a person of Indian origin may not be a tax resident of India. Moreover, funds deposited in overseas banks may include disclosed as well as undisclosed funds and also include funds deposited in Indian branches of such overseas banks.

(b) A number of concrete and pro-active steps have been taken by the Government to bring to tax the undisclosed foreign assets and income in recent past. The details of steps taken, are, inter alia, as under:

- (i) The Government enacted a comprehensive and a stringent new law, namely, the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 that has come into force w.e.f. 01.07.2015. Apart from prescribing stringent penal consequences, this law has included the offence of willful attempt to evade tax, etc. in relation to undisclosed foreign income/assets as a Scheduled Offence under the Prevention of Money Laundering Act, 2002 (PMLA).

- (ii) For effective implementation of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, and efficient handling of the cases under this Act, 29 Foreign Assets Investigation Units have been set up under the Directors General of Income Tax (Investigation) all across India.
- (iii) The Government constituted the Special Investigation Team (SIT) on Black Money under Chairmanship and Vice-Chairmanship of two former Judges of Hon'ble Supreme Court in 2014. The meetings of the SIT are held regularly during which SIT is appraised of various actions against black money by various Government Agencies, particularly the cases involving undisclosed foreign assets and income.
- (iv) The Government of India has entered into Double Taxation Avoidance Agreements /Tax Information Exchange Agreements /Multilateral Convention on Mutual Administrative Assistance in Tax Matters/SAARC Multilateral Agreement (“tax treaties”) with various jurisdictions which provide for mechanism of exchange of information, which is foreseeably relevant for administration and enforcement of domestic laws concerning taxes. India has been proactively engaging with foreign jurisdictions, for exchange of information under such tax treaties. Wherever required the Agreements/ Treaties are revised or updated.
- (v) A Multi-Agency Group (MAG), consisting of representatives from various enforcement Agencies/ Organizations, has been set up by the Government for expeditious & coordinated investigation of various categories of foreign asset cases like Panama paper leaks, Paradise paper leaks and the recent Pandora paper leaks.
- (vi) Further, India has also implemented Automatic Exchange of Information (AEOI) based on the Common Reporting Standard (CRS) and receives, from 2017 onwards, financial account information of Indians who are residing in other jurisdictions with which the AEOI relationship is activated. India has also entered into an Inter-Governmental Agreement (IGA) with USA in 2015 for sharing of financial account information on automatic basis
- (vii) Effective enforcement actions are taken by the Government including expeditious investigation in foreign assets cases. Such actions include searches, surveys, enquiries, assessment of income, levy of taxes, penalties, etc. and filing of prosecution complaints in criminal courts, wherever applicable,

(c): Various steps taken by the Government as above, have resulted in promising outcome, which inter-alia, includes the following:

- The year-wise details of assessments completed under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 are as under:

Financial Year	Number of assessment orders passed	Demand raised [In Rs. Crore]
2018-19	16	135
2019-20	30	1026
2020-21	120	7055
2021-22	183	5350
2022-23 (till 31.12.2022)	59	2098
Total	408	15664

- As on 31.12.2022, 127 prosecutions have been launched under the provisions of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.

However, the disclosure of information in respect of specific assesseees is prohibited except as provided under section 138 of the Income Tax Act, 1961.

(d): The taxes collected by the Income Tax Department form part of the revenues of Union Government. These are subsequently utilized as per the approved plan and policies of the Government
