

**Government of India
Ministry of Finance
Department of Revenue**

**LOK SABHA
UNSTARRED QUESTION NO. 4933
TO BE ANSWERED ON FRIDAY, DECEMBER 16 2016
AGRAHAYANA 25, 1938 (SAKA)**

ONLINE SHOPPING

4933: DR. BANSNILAL MAHATO:

Will the Minister of FINANCE be pleased to state:

- (a) whether online shopping registered a growth in the country;
- (b) if so, the details thereof;
- (c) whether the Government has proposed any guideline/set up any monitoring mechanism to check incidents of tax evasion and illegal transaction of money through online shopping;
- (d) if so, the details thereof; and
- (e) the total revenue loss claimed by the Government as a result thereof?

**ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SANTOSH KUMAR GANGWAR)**

(a) & (b): No such study has been conducted by the Government.

(c) to (d): Periodic review of the Government's mechanism for detecting Direct tax evasion is an on-going process. In recent times, the Government has taken several effective steps, both by way of policy-level initiatives as well as through more effective enforcement action on the ground, to tackle tax evasion/black money. These steps include putting in place robust legislative and administrative frameworks, systems and processes with due focus on capacity building and integration of information and its mining through increasing use of information technology. Major initiatives taken by the Government in the recent past include -

(i) Proactively engaging with foreign governments to facilitate and enhance the exchange of information under Double Taxation Avoidance Agreements (DTAAs)/Tax Information Exchange Agreements (TIEAs)/Multilateral Conventions.

(ii) While focusing upon non-intrusive measures, due emphasis on enforcement measures in high impact cases with a view to prosecute the offenders at the earliest possible for credible deterrence against tax evasion/black money.

(iii) Initiation of the information technology based 'Project Insight' by the Income Tax Department for strengthening the non-intrusive information driven approach for improving tax compliance and effective utilization of available information.

(iv) Proactively furthering global efforts to combat tax evasion/black money, inter alia, by joining the Multilateral Competent Authority Agreement in respect of Automatic Exchange of Information and having information sharing arrangement with USA under its Foreign Account Tax Compliance Act (FATCA).

(v) Legislative measures including amendments in the Income-tax Act, 1961.

(e): No Indirect Tax, namely, Customs Duty, Central Excise Duty and Service Tax is levied on online shopping. Trading of goods online does not attract levy of Service Tax, as it is included in the Negative List Services under Section 66D of the Finance Act, 1994. Further, the goods, which are being traded, if imported/manufactured, are cleared on payment of duty of Customs/Central Excise, as the case may be, at the time of import/clearance from the factory, respectively.

Moreover, no separate data in respect of taxes collected of volume of trade from on line trade/shopping is maintained.
