

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION No. 2148
TO BE ANSWERED ON FRIDAY, THE 28TH JULY, 2017
6, SHRAVANA, 1939 (SAKA)**

REDUCTION OF PENALTY ON BLACK MONEY

2148. ADV. M. UDHAYAKUMAR:

Will the Minister of **FINANCE** be pleased to state:

- (a) whether the Government has reduced the penalty on black money from 132 per cent to 50 per cent and if so, the details thereof;
- (b) the total amount of black money collected after the said reduction of penalty; and
- (c) whether the Government is considering any other options to unearth black money in the country and if so, the details thereof?

ANSWER

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

- (a) No Madam.
- (b) Does not arise in view of reply to part (a) above.
- (c) Appropriate action against black money is an on-going process. Such action under the laws includes searches, surveys, enquiries, assessment of income, levy of taxes, penalties, etc. and filing of prosecution complaints in criminal courts, wherever applicable. Such taxes, penalties, etc. form part of the total liability of each assessee and is enforced accordingly.

The Government has taken several effective measures, both by way of policy-level initiatives as well as through more effective enforcement action on the ground, to tackle black money. Such measures 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. Recent major initiatives in this regard include –

- (i) Constitution of the Special Investigation Team (SIT) on Black Money under Chairmanship and Vice-Chairmanship of two former Judges of Hon'ble Supreme Court,

(ii) Enactment of a comprehensive law – ‘The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015’ which has come into force w.e.f. 01.07.2015 to specifically and more effectively deal with the issue of black money stashed away abroad, (iii) Constitution of Multi-Agency Group (MAG) consisting of officers of Central Board of Direct Taxes (CBDT), Reserve Bank of India (RBI), Enforcement Directorate (ED) and Financial Intelligence Unit (FIU) for investigation of recent revelations in Panama paper leaks, (iv) Proactively engaging with foreign governments with a view to facilitate and enhance the exchange of information under Double Taxation Avoidance Agreements (DTAAs)/Tax Information Exchange Agreements (TIEAs)/Multilateral Conventions, (v) According high priority to the cases involving black money stashed away abroad for investigation and other follow-up actions including prosecutions in appropriate cases, (vi) 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 for credible deterrence against tax evasion/black money, (vii) 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 (AEOI) and having information sharing arrangement with USA under its Foreign Account Tax Compliance Act (FATCA), (viii) Renegotiation of DTAAs with other countries to bring the Article on Exchange of Information to International Standards and expanding India’s treaty network by signing new DTAAs and TIEAs with many jurisdictions to facilitate the exchange of information and to bring transparency, (ix) Enabling attachment and confiscation of property equivalent in value held within the country where the property/proceeds of crime is taken or held outside the country by amending the Prevention of Money-laundering Act, 2002 through the Finance Act, 2015, (x) Enactment of the Benami Transactions (Prohibition) Amendment Act, 2016 to amend the Benami Transactions (Prohibition) Act, 1988 with a view to, inter alia, enable confiscation of Benami property and provide for prosecution, (xi) 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 (xii) Launching of ‘Operation Clean Money’ on 31st January 2017 with the mission to “create a tax compliant society through a fair, transparent and non-intrusive tax administration where every Indian takes pride in paying taxes”.
