

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE**

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**LOK SABHA**

**UN-STARRED QUESTION No. 1930**

**TO BE ANSWERED ON FRIDAY, THE 29<sup>th</sup> December, 2017/**

**PAUSHA 08, 1939 (Saka)**

**REWARD TO IT INFORMERS**

**1930. SHRI NAGAR RODMAL:**

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

- a) whether the Government proposes to implement/has any scheme in place to reward the persons giving information about tax evaders;**
- b) if so, the details thereof; and**
- c) the amount of reward fixed by the Government under the said scheme?**

**ANSWER**

**MINISTER OF STATE FOR FINANCE**

**(SHRI SHIV PRATAP SHUKLA)**

(a) The Government has a scheme in place to reward the persons giving information about tax evaders.

(b) The Scheme is called "Guidelines for grant of rewards to informants, 2007". Reward in pursuance of information given on or after 1.12.2007 as well as cases of reward pending on 1.12.2007 are governed by this. Brief details of the guidelines are as under:

- i) If any person wants to furnish information of tax evasion in the expectation of reward from Income Tax Department, he/she is required to furnish such information in the form of a written statement in prescribed form before an Income-Tax authority not below the rank of Income-Tax officer.

- ii) A person is eligible for reward only if he/she furnishes specific information of undisclosed income and wealth and action is actually taken in pursuance of such information by Income Tax department.
- iii) Identity of informant is kept secret by giving them a code number and thereafter identifying him with that code only.
- iv) The competent authority to grant the reward up to Rs. 1 lakh is Director/ Commissioner of Income Tax, for reward above Rs. 1 lakh up to Rs. 15 lakh a committee headed by Director General of Income Tax (Investigation) and for reward above Rs. 15 lakh, Central Board of Direct Taxes.
- v) Reward is not payable to any Government Servant for furnishing information obtained in the course of his/her normal duties as a Government servant.
- vi) Reward is an ex-gratia payment granted in the discretion of competent authority. The authority competent to grant reward keeps in consideration circumstances like accuracy of information, extent & nature of help by informant, risk undertaken, quantum of work etc. in determining reward to informant.
- vii) In this scheme, reward may be granted at the following three stages:-
  - (a) **Interim Reward** - An interim reward not exceeding 5% (five percent) of the extra tax levied or which can reasonably be expected to be levied but subject to a ceiling of Rs.1,00,000/- in a group of cases may be granted before determination of tax by assessment.
  - (b) **Part of Final Reward**- Reward may be granted as a part of final reward in cases where assessments have become final in some of the cases but appeals are pending in some of the assessments and the competent authority is satisfied that extra taxes attributable to such assessments or such issues, which have been levied and realized, will not be reduced in future.
  - (c) **Final Reward** - Maximum amount of total reward in a group of cases is 10% of extra tax levied and actually realized subject to a ceiling of Rs. 15,00,000/-. Central Board of Direct Taxes may grant higher reward if certain conditions are fulfilled.
- viii) Reward may be granted also in cases where information furnished by an informant to another Government Department is passed on by that Department to the Income Tax Department.

(c) As replied in Para (b)(vii) above.