

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
STARRED QUESTION NO.*11
TO BE ANSWERED ON FRIDAY, 2ND FEBRUARY, 2018
MAGHA 13, 1939 (SAKA)**

BLACK MONEY

***11: SHRI SADASHIV LOKHANDE:**

Will the Minister of FINANCE be pleased to state:

- (a) the quantum of black money in the country;*
- (b) whether the quantum of black money is rising continuously;*
- (c) if so, the details thereof and obstacles/constraints being faced by the Government in unearthing black money; and*
- (d) the concrete action being taken by the Government to curb the accumulation of black money in the country?*

**ANSWER
MINISTER OF STATE FOR FINANCE
(SHRI ARUN JAITLEY)**

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.*11, RAISED BY SHRI SADASHIV LOKHANDE, HON'BLE MEMBER OF PARLIAMENT, FOR REPLY ON 2ND FEBRUARY, 2018

There is no official estimation of quantum of black money in circulation in the country and stashed by Indians in foreign countries/banks.

The Government has taken concrete actions to curb the accumulation of black money in the country. Such measures include policy-level initiatives, more effective and focused enforcement action on the ground, 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) 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 prosecution of *benamidar* and the beneficial owner.
- (iv) 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 and Paradise Paper Leaks.
- (v) Actions in context of demonetization and launching of 'Operation Clean Money' on 31st January 2017 for collection, collation and analysis of information on cash transactions during demonetization period.
- (vi) Extensive use of information technology and data analytics tools for identification of high risk cases, expeditious e-verification of suspect cases and enforcement actions in appropriate cases which include searches, surveys, enquiries, assessment of income, levy of taxes, penalties, etc. and filing of prosecution complaints in criminal courts, wherever applicable.
- (vii) Suitable amendment in Rule 114B of the Income Tax Rules, 1962 has been made whereby quoting of PAN has been made mandatory for transactions of sale or purchase of goods or services of any nature, including cash transaction, above Rs. 2 Lakh.
- (viii) Restriction on cash transaction of Rs. 2 lakh or more (Section 269ST of the I.T. Act) were imposed.
- (ix) No deduction under section 40A(3) would be allowed w.e.f. 01.04.2018 where payment in cash exceeds Rs. 10,000 in respect of expenditure incurred.

- (x) Further, no deduction under section 80G allowed w.e.f. 01.04.2018 if cash donation exceeds Rs. 2000, and restriction imposed on donations of Rs.2000/- or more to political parties otherwise than by a bank account or through electoral bonds.
- (xi) Deeming fair market value as full value of consideration for computation of capital gains in case of transfer of shares other than quoted shares.
- (xii) The AIR has been replaced with a new reporting regime- the Statement of Financial transaction (SFT) w.e.f 1.4.2016. Under SFT, the Form 61A has been amended to include furnishing of details about aggregate gross amount credited to the account in cash from 1st day of April, 2016 to 8th November, 2016 and from 9th November, 2016 to 30th December, 2016, apart from aggregate gross amount credited/debited to the account in cash during the F.Y.