

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA
UN-STARRED QUESTION No. 1313
TO BE ANSWERED ON FRIDAY, THE 09th February, 2018/
Magha 20,1939 (Saka)

Offshore Tax Havens

1313. SHRI KALIKESH N. SINGH DEO:

Will the Minister of FINANCE be pleased to state:

- (a) *whether according to Paradise Papers as many as 714 Indians including corporate chiefs, politicians and celebrities have been involved in business dealings in offshore tax havens and if so, the details thereof;*
- (b) *whether the Government has directed any probe to be conducted into the media reports relating to the hidden business dealings of Indians in the offshore law firm and if so, the details thereof;*
- (c) *whether the Government has contacted the offshore law firm of Bermuda to disclose the holdings of the Indians and if so, the details thereof;*
- (d) *whether the Government has set up any committee to investigate into the concerned matters and if so, the details of the findings and*
- (e) *whether the Government is facing resistance and non-cooperation by many foreign countries and such entities and if so, the details thereof?*

ANSWER

MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)

(a), (b), (c), (d)

On November 6, 2017 and on subsequent dates the International Consortium of Investigative Journalists (ICIJ), a Washington based organization and their collaborating newspapers across the world, released what they called 'Paradise Papers', containing details of offshore entities set up by two law firms M/s Appleby and Asiaciti spread across 19 tax havens/foreign jurisdictions. The list of Indians in Paradise Papers is publicly available on the ICIJ website.

The ICIJ has put a caveat on its website (<https://offshoreleaks.icij.org>) by mentioning that it should not be assumed that everyone who appears in the database is involved in tax avoidance or evasion and there are legitimate reasons to create a company in an offshore jurisdiction and many people declare them to their tax authorities when that is required.

On the same day i.e. 6/11/2017, Government reconstituted the Multi Agency Group (MAG) comprising members of Central Board of Direct Taxes (CBDT), Enforcement Directorate (ED), Reserve Bank of India (RBI) & Financial Intelligence Unit (FIU) with Chairman, CBDT as convener, to coordinate and monitor expeditious investigation in cases emanating out of Paradise Papers by each member organization.

The ICIJ database on Paradise Papers does not contain any financial details including the bank account information. The investigations in such cases involve sending Exchange of information (EOI) references in deserving cases, to respective foreign jurisdictions.

The investigations in Paradise papers are being carried out earnestly. The member investigating agencies under aegis of MAG will use the provisions available under the respective statutes administered by them to investigate the matter. Questionnaires and summons under section 131 of the Income Tax Act, 1961, have been issued in appropriate cases by the Income Tax Department.

(e) Law Enforcement Agencies concerned have taken up investigation into specific allegations. Such investigation, wherever required, includes making requests to the foreign jurisdictions concerned for sharing specific information/evidence, in accordance with provisions of treaties/agreements which India may have with such jurisdictions. The sharing of information is guided by the provisions of such treaties/agreements as also domestic laws of respective jurisdiction. As investigation in Paradise papers is at preliminary stage, further inference/course of action depends upon outcome of investigation in respective cases.