

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

**LOK SABHA  
UNSTARRED QUESTION NO. 535  
TO BE ANSWERED ON FRIDAY, 20<sup>TH</sup> JULY, 2018  
ASHADHA 29, 1940 (SAKA)**

**BLACK MONEY**

**535: SHRI ASADUDDIN OWAISI:  
SHRI SHRIRANG APPA BARNE:  
DR. C. GOPALAKRISHNAN:  
SHRI P. NAGARAJAN:  
SHRI ADHALRAO PATIL SHIVAJIRAO:  
SHRI V. ELUMALAI:  
SHRI SUSHIL KUMAR SINGH:  
SHRI R. GOPALAKRISHNAN:  
SHRI ANANDRAO ADSUL:  
SHRI TEJ PRATAP SINGH YADAV:  
SHRI B. SENGUTTUVAN:  
DR. SHRIKANT EKNATH SHINDE:  
SHRIMATI ANJU BALA:  
SHRI VINAYAK BHAURAO RAUT:  
SHRI DHARMENDRA YADAV:**

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

- (a) whether Indian money in Swiss banks fallen by 45 per cent in 2016 and if so, the details thereof;*
- (b) whether the money parked by Indians in Swiss banks has rose over 50 per cent during 2017 as compared to previous years and India has moved upto 73rd place in terms of money stashed abroad and if so, the details thereof along with the reaction of the Government thereto;*
- (c) the reasons found by the Government for rising trend of deposits in Swiss bank's especially demonetisation and whether it is on the rise, in spite of Government's efforts to curb black money, if so, the details thereof;*
- (d) whether the Government has any agreement with the Swiss banks to share the details of depositors and if so, the details thereof;*
- (e) whether the Government has taken any action to reveal the names of those depositors in the previous years especially in 2017, if so, the details thereof and if not, the reasons therefor;*
- (f) whether the Government has taken cognizance that in comparison, the total funds held by all foreign clients of Swiss banks rose only about 3 per cent to 1.46 trillion Swiss franc and if so, the reaction of the Government thereto and the other corrective measures taken by the Government against black money hoarders and in bringing back black money stashed abroad; and*
- (g) whether it is true that not all Swiss bank money illegal and if so, the details thereof?*

**ANSWER  
MINISTER OF STATE FOR FINANCE  
(SHRI SHIV PRATAP SHUKLA)**

(a) & (b): No such information is available with the Government. However, as per recent media reports, the deposits of Indians in Swiss bank, in the last three years are as under:

Year	Deposits by Indians in Swiss Bank in CHF billion
2015	1.22
2016	0.68
2017	1.02

(c) The increase was mainly due to capital increase for a subsidiary of a Swiss company in India, increase in liabilities connected with outstanding derivative financial instruments and increase in customer deposits (consolidated at level of parent company taking into account the deposits of the branches or subsidiaries) which are linked to companies and not individuals.

(d) India and Switzerland have in place a Double Taxation Avoidance Agreement (DTAA), which entered into force on 29<sup>th</sup> December, 1994. Protocol amending the agreement came into force on 07<sup>th</sup> October, 2011. Based on the provisions of DTAA, the two countries exchange information on a request basis, which is foreseeably relevant to the administration or enforcement of the domestic laws concerning taxes covered by the agreement, which may also include details of depositors.

India and Switzerland are signatories to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAC) and both countries have also signed the Multilateral Competent Authority Agreement (MCAA) pursuant to which the Automatic Exchange of Information (AEOI) is activated between the two countries for sharing of financial account information effective from 01.01.2018 with first transmission in 2019. Accordingly, India will receive the information of financial accounts held by Indian residents in Switzerland for 2018 and subsequent years, on an automatic basis.

(e) The disclosure of the information received under tax treaties is governed by the confidentiality provisions of the tax treaties. Further, the disclosure of information of foreign assets of resident tax payers collected as per “Schedule FA” of the Return of Income is protected as per the provisions of Section 138 of the Income-tax Act, 1961.

(f) The Government has taken several corrective measures against black money hoarders and in bringing back black money stashed abroad which, inter alia, includes putting in place the necessary legal arrangements for obtaining information about financial accounts of Indian residents in Switzerland annually on an automatic basis. These exchanges with Switzerland will take place from 2019 for the financial account information pertaining to the year 2018 and onwards.

Apart from the above, the Government has taken measures like:

Constitution of the Special Investigation Team (SIT) on Black Money in May, 2014 under the Chairmanship and Vice-Chairmanship of two former Judges of Hon’ble Supreme Court. Investigation into cases involving substantial black money/undisclosed income, particularly black money stashed abroad, is being extensively and intensively monitored by the SIT.

The Government enacted a comprehensive and a more stringent new law, namely, the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 that has come into force w.e.f. 01.07.2015. *Inter alia*, for the first time, this law has included the offence of willful attempt to evade tax etc. in relation to undisclosed foreign income/assets as a Scheduled Offence under the Prevention of Money-laundering Act, 2002 (PMLA).

(g) All the Swiss bank money may not be illegal. The reasons for the same, may *inter alia*, include:

- i) remittances through banking channel under the Liberalized Remittance Scheme (LRS) for the purposes approved by the Reserve Bank of India;
- ii) remittances which may be from a country outside India to a Swiss Bank account;

iii) customer deposits consolidated at the level of the parent company taking into account the deposits of the branches or subsidiaries.

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