

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA
UN-STARRED QUESTION No. 2821

TO BE ANSWERED ON FRIDAY, THE 28th DECEMBER, 2018/
PAUSHA 7, 1940 (SAKA)

PANAMA PAPERS

2821. Dr. Kirit Somaiya:

Will the Minister of FINANCE be pleased to state:

- (a) *whether the Government has taken cognizance about the fresh Panama Papers leak few months back and if so, the details thereof;*
- (b) *whether the Government has also taken cognizance of the name of Indian businessmen in this leak, and if so, the details thereof; and*
- (c) *whether the Government is contemplating to investigate the issue and take action against the Indians named in this leak and if so, the details thereof?*

ANSWER

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

(a) The fresh release made in the media in June 2018 under 'Panama Paper Leaks' is also part of the ongoing investigation under the aegis of Multi Agency Group (MAG).

The Government constituted a Multi-Agency Group on 4th April, 2016, inter alia, for facilitating coordinated and speedy investigation in the cases of Indian persons allegedly having undisclosed foreign assets and whose names appeared in Panama Papers leaks. The Group comprises the officers of Investigation Division of the Central Board of Direct Taxes, Foreign Tax & Tax Research Division of CBDT, Enforcement Directorate, Financial Intelligence Unit and Reserve Bank of India, and its Convener is Chairman, CBDT.

The International Consortium of Investigative Journalists (ICIJ), a Washington based organization which reportedly made the revelations pertaining to the Panama Papers, has put a caveat on its website (www.icij.org) by mentioning that it should not be assumed that everyone who appears in the Panama Papers 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.

(b) Yes, the persons with India link named in the fresh Panama Paper Leaks are taken cognizance of by the MAG for verifying whether foreign assets are disclosed in their respective Income tax returns. Disclosure of information regarding specific taxpayers is prohibited except as provided under section 138 of the Income tax Act, 1961 and section 84 of the Black Money (Undisclosed Foreign Income and Assets) & Imposition of Tax Act, 2015.

(c) If the foreign assets are not disclosed in the Income tax Returns, further investigation is undertaken including making of 'Exchange of Information' requests to foreign jurisdiction. The member agencies of MAG take appropriate action in all such cases of violations under the respective statutes administered by them viz., the Black Money (Undisclosed Foreign Income and Assets) & Imposition of Tax Act, 2015, Income tax Act, 1961, Foreign Exchange Management Act, 1999 and The Prevention of Money Laundering Act, 2002.