

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

**LOK SABHA  
UNSTARRED QUESTION NO. 811  
TO BE ANSWERED ON FRIDAY, THE 14<sup>TH</sup> DECEMBER 2018  
AGRAHAYANA 23, 1940 (SAKA)**

**MONEY DEPOSITED BY INDIANS IN SWISS BANKS**

**811: SHRI KALYAN BANERJEE:**

**SHRI B. SENGUTTUVAN:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the money deposited by Indians in Swiss Bank rose over 50 percent in last 4 years period from 2014 and if so, the details thereof;
- (b) whether India has moved to 73rd placed in terms of the volumes of money deposited in Swiss Banks and if so, the details thereof;
- (c) whether the Government has received any report details of Swiss National Bank therein and if so, the year-wise growth and the deposit source thereof;
- (d) the details of present status of bilateral pact on automatic exchange of transaction information with the Switzerland Government thereof; and
- (e) the details of proactive steps initiated by the Governments to bring back the unaccounted black money from the Swiss Bank Accounts?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE**

**(SHRI SHIV PRATAP SHUKLA)**

(a), (b) & (c): Swiss authorities have shared the following information regarding the Swiss National Bank (SNB) figures quoted in the media "*The figures published by the SNB are regularly mentioned in the Indian media as a reliable indicator of the amount of assets held with Swiss financial institutions in respect of Indian residents. More often than not, the media reports have not taken account of the way the figures have to be interpreted, which has resulted in misleading headlines and analyses. Moreover, it is frequently assumed that any assets held by Indian residents in Switzerland are undeclared (so-called 'Black Money').*"

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Further they have said *"To analyze Indian residents' deposits held in Switzerland, another data source should be used This is the so-called "locational banking statistics", which the SNB collects in collaboration with the Bank for International Settlements (BIS)."*

The data collected by Swiss National Bank in collaboration with Bank for International Settlements (BIS) shows that the loans and deposits of Indians, other than Banks, in the Swiss banks decreased by 34.5% in the year 2017 as compared to 2016. Further, there has been significant reduction in Swiss non-bank loans and deposits of Indians by 80.2% between 2013 and 2017.

(d): 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 annually for calendar year 2018 onwards with first transmission in 2019.

(e): India has Double Taxation Avoidance Agreement with Switzerland which entered into force on 29th December, 1994. Protocol amending the agreement was signed on 30th August, 2010 and entered into force on 7th October, 2011. The provisions of the India-Switzerland DTAA amended by the Protocol facilitate exchange of information on request basis in the cases under investigation. The information exchanged is utilized to conclude the investigations and tax the unaccounted income and assets of the taxpayers. To enhance cooperation in this area, bilateral meetings are held between the Competent Authorities of the two sides on regular basis.

India and Switzerland are also signatories to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAC). India and Switzerland have, for automatic sharing of financial account information, signed a Joint Declaration on 22<sup>nd</sup> November, 2016 for activation of the AEOI in tax matters between the two countries. The necessary legal arrangements have been put in place and from 2019 onwards, India will receive information of financial accounts held by Indian residents in Switzerland for the calendar year 2018 and subsequent years. This will be useful in tracing unaccounted income and assets of Indian residents in Switzerland and bringing the same to tax.