

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

LOK SABHA

UNSTARRED QUESTION NO. 882

TO BE ANSWERED ON FRIDAY, THE 14TH DECEMBER 2018

AGRAHAYANA 23, 1940 (SAKA)

BLACK MONEY

882: SHRI JAI PRAKASH NARAYAN YADAV:

DR. A. SAMPATH:

SHRI K.N. RAMACHANDRAN:

SHRI SUSHIL KUMAR SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has consulted various countries to find out the total black money deposited in various foreign banks by the Indian nationals in those countries and if so, the details thereof, country/person-wise;
- (b) the estimates of the Government about the black money stashed by the Indians in foreign countries;
- (c) whether the Government had constituted any special monitoring team to get complete information of black money of Indians stashed in the country and abroad and to bring it back into the Government exchequer;
- (d) if so, the details of amount of black money brought back and remains to be brought back into the Government exchequer from within the country as well as from the foreign countries during the last three years as on date;
- (e) the details of names of the countries which have entered into agreement for bringing back the black money; and
- (f) whether the expected goals are not being achieved, if so, the details thereof and the other concrete steps taken by the Government in this regard since last four years along with the number of people held and acquitted during these years?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI SHIV PRATAP SHUKLA)

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(a): India has actively participated in the efforts to forge a multi-lateral regime for automatic sharing of financial account information to assist the global efforts for combating tax evasion. This Automatic Exchange of Information (AEOI) based on Common Reporting Standard (CRS) has commenced from 2017 enabling India to receive financial account information of Indian residents in partner jurisdictions. India also entered into an Inter-Governmental Agreement (IGA) with USA in 2015 enabling receipt on automatic basis financial account information of Indian residents in USA for the calendar year 2014 onwards.

Indian Government has been proactively engaging with foreign governments under the relevant provisions of Double Taxation Avoidance Agreements/ Tax Information Exchange Agreements / Multilateral Convention on Mutual Administrative Assistance in Tax Matters/SAARC Multilateral Agreement (in short tax treaties) to obtain information including banking information on request basis in specific cases.

The information received under tax treaties is confidential and its use and disclosure is governed by the confidentiality provisions of the relevant tax treaties.

(b): There are no official estimates of black money stashed by Indians in foreign countries.

(c): Yes Madam. A Special Investigation Team (SIT) on Black Money has been constituted in May, 2014 under the Chairmanship and Vice-Chairmanship of two former Judges of Hon'ble Supreme Court to monitor investigation into the cases involving substantial black money stashed within the country and abroad.

(d): There is no official estimate of black money brought back or remains to be brought back into the Government exchequer.

However, during the one- time compliance window of 3 months under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, 648 declarants filed declarations disclosing undisclosed foreign assets worth Rs.4164 crores. An amount of about Rs.2476 crore has been collected as tax and penalty in such cases.

Further, as a result of systematic investigations against Indians holding bank accounts in HSBC bank in Switzerland, undisclosed income of about Rs.8465 crore has been brought to tax on account of deposits made in unreported foreign bank accounts. Tax demand of about Rs.5452 crore has been raised which includes demand in protective assessments.

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Sustained investigations conducted in the cases revealed by International Consortium of Investigative Journalists (ICIJ) have led to detection of more than Rs.11,010 crore of credits in the undisclosed foreign accounts so far.

In the Panama Paper Leaks cases, undisclosed foreign investments totaling Rs. 1543 crores have been detected so far.

The preliminary outcome of search and seizure cases in the last three years is as under:

Financial Year	Total Assets seized (in Rs. Crore)	Undisclosed income admitted u/s 132(4) of the Income-tax Act, 1961 (in Rs. Crore)
2015-16	712.32	11226
2016-17	1469.62	15496
2017-18*	997.17	15754

*Figures are provisional

(e): India has treaty network with 148 countries including USA, UK, Switzerland, Mauritius, Singapore, British Virgin Island, etc., which facilitates exchange of information for tax purposes. The information exchanged is utilized to conclude the investigations and bring to tax the unaccounted income and assets of the resident taxpayers held abroad.

(f): Government has taken various measures to achieve the expected goals, some of which are enumerated below:

(i) The Government has taken a number of steps to exchange information about black money stashed by Indians in foreign countries and bring it to tax. These steps, inter alia, include the following:

- Putting in place the necessary domestic legislation and entering into international agreements for exchange of information on request and automatic basis. Information received under tax treaties is used to bring to tax unaccounted income and assets of resident taxpayers held abroad.

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- Enactment of a comprehensive law – ‘The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015’ to specifically deal with black money stashed away abroad.
- Constitution of the Special Investigation Team (SIT) on Black Money under Chairmanship and Vice-Chairmanship of two former Judges of Hon’ble Supreme Court to monitor investigation into the cases involving substantial black money stashed within the country and abroad.
- 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’ and ‘Paradise Paper’ leaks.

(ii) Government has also enabled attachment and confiscation of property equivalent in value held within the country, where the property/proceeds of crime is taken or held outside the country by amending the Prevention of Money-laundering Act, 2002 through the Finance Act, 2015.

(iii) The details of prosecution launched for willful attempt to evade taxes during the last four years is as under:

F.Y	Number of prosecutions
2014-15	272
2015-16	192
2016-17	445
2017-18	1098
