

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
STARRED QUESTION NO. †*108
TO BE ANSWERED ON MONDAY, 25TH JULY, 2022
SRAVANA 3, 1944(SAKA)**

MONEY DEPOSITED IN SWISS BANKS

**†*108 SHRI DEEPAK BAIJ:
SHRI BALUBHAU ALIAS SURESH NARAYAN DHANORKAR:**

Will the Minister of FINANCE be pleased to state:

(a) whether there has been a steep rise in the amount of money deposited by Indian citizens and companies in Swiss banks;

(b) if so, the details thereof and the reasons therefor;

(c) the steps taken by the Government to bring back the money deposited in foreign banks during the last five years, year-wise; and

(d) the amount of money brought back by the Government from foreign banks to the country during the said period, year-wise?

**ANSWER
FINANCE MINISTER
(SHRIMATI NIRMALA SITHARAMAN)**

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. †*108, RAISED BY SHRI DEEPAK BAIJ, SHRI BALUBHAU ALIAS SURESH NARAYAN DHANORKAR, HON'BLE MEMBERS OF PARLIAMENT, FOR REPLY ON 25TH JULY, 2022

(a) and (b): There is no official estimate of amount of money deposited by Indian citizens and companies in Swiss banks.

However, certain recent media reports have stated that funds of Indians in Swiss Banks have risen in 2021 as compared to 2020. These media reports have also mentioned that these deposits do not indicate the quantum of the alleged black money held by Indians in Switzerland.

In this regard, it has already been clarified by the Swiss Authorities that *“The figures published by the Swiss National Bank (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’).”*

Further, the Swiss authorities had also conveyed that the SNB annual banking statistics should not be used for analyzing deposits held in Switzerland by residents of India. Further, they have said that to analyze Indian residents' deposits held in Switzerland, another data source should be used, which is called *“locational banking statistics”*, which the SNB collects in collaboration with the *Bank for International Settlements (BIS)*.

As per the same media reports, the 'locational banking statistics' of the Bank for International Settlement (BIS), showed a decline of 8.3 per cent during 2021 in deposits by Indian individuals in Swiss banks.

(c) A number of concrete and pro-active steps have been taken by the Government to bring to tax the undisclosed foreign assets and income in recent past. The details of steps taken, are, inter alia, as under:

- (i) The Government enacted a comprehensive and a 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. Apart from prescribing stringent penal consequences, 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).
- (ii) For effective implementation of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, and efficient handling of the cases under this Act, 29 Foreign Assets Investigation Units have been set up under the Directors General of Income Tax (Investigation) all across India.
- (iii) The Government constituted the Special Investigation Team (SIT) on Black Money under Chairmanship and Vice-Chairmanship of two former Judges of Hon'ble Supreme Court in 2014. The meetings of the SIT are held regularly during which SIT is appraised of various actions against black money by various Government Agencies, particularly the cases involving undisclosed foreign assets and income.
- (iv) The Government of India has entered into Double Taxation Avoidance Agreements /Tax Information Exchange Agreements /Multilateral Convention on Mutual

Administrative Assistance in Tax Matters/SAARC Multilateral Agreement (“tax treaties”) with various jurisdictions which provide for mechanism of exchange of information, which is foreseeably relevant for administration and enforcement of domestic laws concerning taxes. India has been proactively engaging with foreign jurisdictions, for exchange of information under such tax treaties. Wherever required the Agreements/ Treaties are revised or updated.

- (v) A Multi-Agency Group (MAG), consisting of representatives from various enforcement Agencies/ Organizations, has been set up by the Government for expeditious & coordinated investigation of various categories of foreign asset cases like Panama paper leaks, Paradise paper leaks and the recent Pandora paper leaks.
- (vi) Further, India has also implemented Automatic Exchange of Information (AEOI) based on the Common Reporting Standard (CRS) and receives, from 2017 onwards, financial account information of Indian residents in other jurisdictions with which the AEOI relationship is activated. India has also entered into an Inter-Governmental Agreement (IGA) with USA in 2015 for sharing of financial account information on automatic basis
- (vii) Effective enforcement actions are taken by the Government including expeditious investigation in foreign assets cases. Such actions include searches, surveys, enquiries, assessment of income, levy of taxes, penalties, etc. and filing of prosecution complaints in criminal courts, wherever applicable,
- (viii) In context of Switzerland, India is engaging proactively with Switzerland to obtain information in relevant cases under the Double Taxation Avoidance Agreement between India and Switzerland. Further, India and Switzerland are signatories to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters and both countries have also signed the Multilateral Competent Authority Agreement pursuant to which, Automatic Exchange of Information is activated between the two countries for sharing of financial account information under Common Reporting Standard (CRS) annually.

(d) Various steps taken by the Government as above, have resulted in promising outcome, which inter-alia, includes the following:

- As on 31.05.2022, on account of deposits made in unreported foreign bank accounts in HSBC cases, so far, undisclosed income of more than Rs. 8468 crores have been brought to tax and penalty of more than Rs. 1294 crores levied.
- 648 disclosures involving undisclosed foreign assets worth Rs. 4164 crores were made in the one-time three months compliance window, which closed on 30th September 2015, under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015. The amount collected by way of tax and penalty in such cases was about Rs. 2476 crore.
- As on 31.05.2022, assessments under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 have been completed in 368 cases, raising tax demand of over Rs. 14,820 crores.
