

**Government of India
Ministry of Finance
Department of Revenue**

**LOK SABHA
UNSTARRED QUESTION NO. 57**

TO BE ANSWERED ON MONDAY, FEBRUARY 3, 2025/ MAGHA 14, 1946 (SAKA)

GLOBAL DATABASE ON MNCs

57. SHRI SHYAMKUMAR DAULAT BARVE :

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any global database to check the flight of capital by providing the data on nation by nation earnings of each subsidiary of MNCs, if so, the details thereof;

(b) whether the Government has any plans to create global database on companies and their trade to check the flight of capital, if so, the details thereof; and

(c) whether the Government is aware of Intra-firm MNC trade which is at the root of much flight of capital via BEPS and transfer pricing and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a), (b) As part of the OECD and G20 BEPS project, India receives and shares information on certain international groups with respect to their economic activity, global allocation of income, profits and taxes among the tax jurisdictions in which they operate. No other global database is under preparation at this stage.

(c) The Government of India is aware that inter-company multinational trade can result in attrition of capital through BEPS. In domestic law, this is addressed through Chapter X of the Income-tax Act, 1961, which contains transfer pricing provisions, used to determine the Arm's Length Price (ALP) of the transactions between Associated Enterprises (like companies belonging to the same multinational group). Further, India also actively engages with the G20 and OECD countries on the BEPS Project which seeks to combat tax avoidance by multinational enterprises and aims to protect tax bases.
