

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:63
ANSWERED ON:25.02.2011
MONEY STASHED IN SWITZERLAND
Lal Shri Kirodi ;Mahendrasinh Shri Chauhan

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government of India requested the Government of Switzerland to provide details of Indians who have stashed alleged black money in their banks;
- (b) if so, reaction of the Government of Switzerland thereto;
- (c) the steps proposed to be taken/being taken by the Government to bring back stashed money in Switzerland banks illegally; and
- (d) the total black money unearthed as a result thereof, so far?

Answer

MINISTER OF FINANCE SHRI PRANAB MUKHERJEE

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

Statement referred in reply to parts (a) to (d) of the Lok Sabha Starred Question No. 63 for answer on 25th February, 2011 regarding "Money Stashed in Switzerland".

Efforts have been made from time to time to seek details of the bank accounts held by Indians in Swiss Confederation under the existing Double Taxation Avoidance Agreement (DTAA) between India and Switzerland. However, the Swiss Federal Tax Administration has expressed its inability to exchange the information regarding bank deposits of Indian citizens as the information was not necessary for the application of the DTAA between India and Swiss Confederation but was required only for the enforcement of Indian internal laws. They also replied that such information was not at their disposal under Swiss laws in the normal course of tax administration.

2. Since in terms of existing DTAA between India and Swiss Confederation, it has not been possible to obtain information regarding bank deposits in Switzerland, Switzerland was approached in April, 2009 for re-negotiation of the Article concerning Exchange of Information in our existing DTAA so that we can have access to banking information. Switzerland agreed for re-negotiation of this Article as well as other Articles of the existing DTAA and the Protocol amending the Agreement and Protocol between the Government of Republic of India and the Swiss Confederation for the avoidance of double taxation with respect to taxes on income (Amending Protocol) has been signed at New Delhi on 30th August 2010. One of the salient features of this Amending Protocol is that the Article on Exchange of Information has been amended to specifically provide for exchange of banking information as well as information without domestic interest. The Amending Protocol shall enter into force on completion of internal procedure by Switzerland. Upon entry into force, India would be able to get banking information from Switzerland in specific cases for any period beginning with 1st April, 2011 or thereafter.