

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:66

ANSWERED ON:25.11.2011

BLACK MONEY

Gaddigoudar Shri P.C.;Kumar Shri Shailendra

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has conducted a study to estimate the quantum of unaccounted income/wealth inside and outside the country and its ramifications on national security;
- (b) if so, the progress made in this regard so far;
- (c) whether some countries including France and Switzerland have initiated measures for sharing tax related information with India and provided the details of account holders who are reported to have stashed black money in their countries;
- (d) if so, the details thereof;
- (e) the reaction of the Government for making their names public alongwith the action taken/proposed to be taken against them;
- (f) the progress made in regard to signing or reviewing/renegotiating the Double Taxation Avoidance Agreements (DTAAs) and Tax Information Exchange Agreements (TIEAs) with other countries to get information about black money stashed there; and
- (g) the other measures taken/proposed to be taken to bring back black money stashed in foreign countries alongwith the success achieved therefrom?

**Answer**

FINANCE MINISTER (SHRI PRANAB MUKHERJEE)

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

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 66 FOR REPLY ON 25,11,2011

- (a) The Government has commissioned a study to estimate the quantum of unaccounted income/wealth inside and outside the country and its ramifications on national security on the basis of the recommendations of the Standing Committee on Finance. The study will be conducted separately by three government institutes, namely the National Institute of Public Finance and Policy (NIPFP), the National Institute of Financial Management (NIFM) and the National Council for Applied Economic Research (NCAER).
- (b) The institutes have been given time up to September, 2012 to submit their reports.
- (c) to (e) Yes Sir. Many countries / jurisdictions are willing to share banking information in specific cases with India under the Double Taxation Avoidance Agreement (DTAA)/ Tax Information Exchange Agreement (TIEA) for tax purposes. India has received tax related information from various countries. However, disclosure of such information is governed by the confidentiality provisions of the DTAA/ TIEA under which the information has been received and can be used only for tax purposes.
- (f) The Government of India has DTAAs with 81 countries, out of which 75 DTAAs do not have specific paragraph for exchange of banking information. AU these 75 DTAAs have been taken up for renegotiation and so far renegotiations have been completed in 22 cases. India has also entered into TIEAs with 5 jurisdictions. A U these agreements contain articles concerning exchange of information for tax purposes which allow for exchange of tax-related information.
- (g) The Government of India has framed a comprehensive five-pronged strategy in order to bring back the country's money illegally stashed abroad. The strategy comprises of:
  - (i) Joining the global crusade against `black money1;
  - (ii) Creating an appropriate legislative framework;
  - (iii) Setting up institutions for dealing with Illicit Funds;
  - (iv) Developing systems for implementation; and

(v) imparting skills to the manpower for effective action.

As a result of these efforts, tax-related information has started to flow in large numbers from outside and necessary action is taken to verify such information and bring to tax any untaxed amount, During the last two years, the Directorate of Transfer Pricing has detected mispricing of Rs.66,085 crore and the Directorate of International Taxation has collected taxes of Rs.33,784 crore from cross-border transactions.