

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2016

ANSWERED ON:02.12.2011

``RECOVERY OF UNPAID TAXES FROM HSBC ACCOUNT HOLDERS``

Das Gupta Shri Gurudas;Gowda Shri D.B. Chandre;Haque Shri Sk. Saidul;Ram Shri Purnmasi

Will the Minister of FINANCE be pleased to state:

(a) whether the Central Board of Direct Taxes (CBDT)/Income Tax Department has assessed the quantum of income tax evaded by each of the account holder in HSBC Geneva as per list/information received from French Government;

(b) if so, the details thereof; and

(c) the action taken/proposed to be taken against such persons alongwith the total amount collected as unpaid tax out of the amount recoverable from them?

Answer

Minister of State in the Ministry of Finance(Shri S.S.PALANIMANICKAM)

(a) & (b): Income Tax Department has received information from the French Government under the Double Taxation Avoidance Agreement (DTAA) regarding accounts in HSBC Bank. Whenever such information is received, it is investigated and only thereafter the untaxed amounts are assessed and brought to taxation. The stage of assessment has not arrived in these cases. It is clarified that mere holding of an account outside India does not lead to the conclusion that the amount is tax evaded.

(c): Although the tax has not been assessed or raised yet, some persons have voluntarily paid taxes amounting to about Rs.135 crore so far. Action in accordance with the provisions of Direct tax laws, including levy of penalty and initiation prosecution, is taken in all such cases after the assessments are completed.