

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1836
ANSWERED ON:22.08.2012
ACCOUNTS OF INDIANS IN FOREIGN BANKS
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Will the Minister of FINANCE be pleased to state:

- (a) the country-wise details of Double Taxation Avoidance Agreement signed by the Indian Government;
- (b) whether the Government has received information from some foreign Governments regarding accounts of Indian citizens in Banks, located in their respective country and if so, the details thereof;country-wise, account holder-wise; (C) whether the Government has investigated and assessed the untaxed amounts in all the above cases and if so, the details thereof; and
- (d) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) As on 16th August, 2012, India has 84 Double Taxation Avoidance Agreements (DTAAs) in force. India has also signed 3 new treaties, which have not yet entered into force. The details of the countries are given in the Annexure.

(b) The Government receives information from other countries under the Double Taxation Avoidance Agreement (DTAA). Whenever such information is received, it is investigated and any untaxed amount is assessed and brought to taxation.

The information received is covered by the confidentiality clause of the DTAA's under which the information is received. The information can only be used for the tax purposes specified therein. Thus, the contents of the information received under DTAA cannot be disclosed to persons other than those involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by the Agreement.

(c) With regard to information from the French Government under the Double Taxation Avoidance Convention (DTAC) regarding accounts in one of the Swiss Banks, it is stated that some persons have paid taxes amounting to about Rs.181 crore as on 31st March, 2012. Action in accordance with the provisions of Direct tax laws, including levy of penalty and initiation of prosecution, is taken in all such cases after the assessments are completed.

With regard to information from the German Government regarding Indian taxpayers having accounts with LGT Bank in Liechtenstein, assessments have been made against total 18 individual cases, being beneficiaries of the said trusts /entities, as per provisions of Income Tax Act, 1961. The assessments in these cases resulted in determining total assessed income at Rs 39.66 Crore. Total demand of Rs 24.26 Crore was raised in these cases. Penalty proceedings for concealment of income have separately been initiated in all these cases. Penalty amounting to Rs. 11.94 crore has been imposed in 9 of the cases. Out of 18 taxpayers one has passed away and prosecution has been launched against all other 17 taxpayers.

(d) Not applicable.