

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5072
ANSWERED ON:26.04.2013
INCOME TAX OVERSEAS UNITS
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Will the Minister of FINANCE be pleased to state:

- (a) the countries where the Government has set up Income Tax overseas units as a part of its efforts to unearth black money;
- (b) whether all the Income Tax Overseas Units are operational at present;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) whether these units have been able to fulfil the objectives for which these have been set up; and
- (e) if so, the details thereof along with the cases of black money detected/unearthed by these units during each of the last three years and the current year, unitwise?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (c) Yes Madam. Tax officers at the level of First Secretary are being posted to Income-tax Overseas Units (ITOU) in Indian Missions abroad to maintain effective coordination and liaison between Indian tax authorities and the tax authorities of countries concerned. At present, the officers are already posted in Mauritius and Singapore. Further, posting orders in respect of officers to be posted to newly created ITOUs in Indian missions at Cyprus, France, Germany, Japan, Netherlands, UAE, UK and USA have been issued. The relieving of these 8 officers to join their respective ITOU is pending due to finalisation of terms & conditions of their posting by Ministry of External Affairs.

(d) & (e) The Income Tax Overseas Units (ITOU) are required to assist the Indian competent authority in various works carried out by it viz. matters relating to DTAA, Exchange of Information, Mutual Agreement Procedure, review of DTAA, representation in various bilateral /international meetings, etc. In addition, it is required to help investors by providing clarification on tax issues. The two units operational at Singapore and Mauritius have been helpful in obtaining information under the DTAA with these two countries by holding regular meetings with competent authorities of respective countries. The ITOU officers are assisting in exchange of information as requested by the field officers. Following receipt of information, necessary enquiries/investigation is being conducted by the field/investigation officers and relevant information is used in the assessment and appellate proceedings. Estimation of recovering black money due to functioning of ITOUs is not possible.