

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3172

ANSWERED ON:15.03.2013

BLACK MONEY STASHED ABROAD

Ganpatrao Shri Jadhav Prataprao;Jaiswal Shri Gorakh Prasad ;Rama Devi Smt.

Will the Minister of FINANCE be pleased to state:

- (a) whether any agitations demanding for disclosure of the names of black money depositors in banks located abroad have been/are being organised in the country;
- (b) if so, the details thereof and the response of the Government thereon;
- (c) whether any bank has disclosed the names of 700 persons who have deposited their money abroad;
- (d) if so, the details thereof;
- (e) whether such depositors have since withdrawn their money from the banks;
- (f) if so, the details thereof and the reaction of the Government thereto; and
- (g) the corrective steps taken/proposed to be taken by the Government in this regard?

Answer

To be answered by the Minister of State in the Ministry of Finance (Shri S.S.PALANIMANICKAM)

- (a) The Government has been receiving a number of representations from public, demanding disclosure of the names of black money depositors in banks located abroad.
- (b) Since the information received from the Foreign Governments is covered by the confidentiality provisions of Double Taxation Avoidance Agreements (DTAAs) and Tax Information Exchange Agreements (TIEAs), the Indian Government cannot disclose such information contrary to the provisions of respective Agreements. Further, the money deposited by Indian entities in foreign bank accounts in respect of which some information may be available, can be said as undisclosed asset/income and consequently these entities can be called as black money depositors only after the conclusion of investigation and due process of law including assessments.
- (c) No, Sir.
- (d) Does not arise in view of reply to part (c) above.
- (e) No such information is available.
- (f) Does not arise in view of reply to part (e) above.
- (g) Does not arise in view of reply to part (e) above. However, the Government has taken various steps under a multi-pronged strategy which includes creating an appropriate legislative framework; setting up institutions to deal with illicit funds; developing systems for implementation; imparting skills to the manpower for effective action; and joining the Global crusade against black money. Legislative measures taken through the Finance Act, 2012 in this regard include introduction of provisions requiring reporting of assets (including bank accounts) held outside the country; reopening of assessments up-to 16 years for taxing undisclosed assets (including bank accounts) kept outside the country; strengthening of penal provisions in respect of search cases; expansion of the ambit of tax collection at source (TCS) to cover certain more vulnerable items / sectors. India has been renegotiating its Double Taxation Avoidance Agreements (DTAAs) with other countries to bring the Article on Exchange of Information to International standards, and has also been expanding its treaty network by signing new DTAAs with many other countries and by entering into Tax Information Exchange Agreements (TIEAs) with many tax jurisdictions in its effort to facilitate the exchange of information and to bring in tax transparency. It has also become a member of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters in 2012. Various steps have also been taken to improve intelligence gathering mechanism of the Department. The above steps have equipped the Government better in tackling the menace of black money.