

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:146

ANSWERED ON:23.03.2012

BLACK MONEY

Manjhi Shri Hari;Singh Shri Brij Bhushan Sharan

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

- (a) whether the Government has received information from some countries regarding the details of account holders who are reported to have stashed black money in their countries;
- (b) if so, the details thereof alongwith the tentative amount of black money deposited in such accounts, country-wise;
- (c) the reaction of the Government in sharing such information with the public;
- (d) the progress made in regard to signing or reviewing/renegotiating the Double Taxation Avoidance Agreement (DTAAs) and Tax Information Exchange Agreements (TIEAs) with other countries to seek information about black money stashed there alongwith the present status in execution of such agreements; and
- (e) the progress made by the Government in utilising the said information to bring back black money stashed in foreign countries alongwith the success achieved therefrom till date?

**Answer**

MINISTER OF FINANCE SHRI PRANAB MUKHERJEE

(a) to (e): A statement is laid on the table of the House.

Reply to Starred Question No. 146 raised by SHRI HARI MANJHI and SHRI BRIJBHUSHAN SHARAN SINGH, Hon'ble Members of Parliament before Lok Sabha for answer on 23rd March, 2012.

(a): 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.

(b) & (c) : The information received is covered by the confidentiality clause of the DTAAAs 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.

(d): Details of Double Taxation Avoidance Agreements (DTAAAs) and Tax Information Exchange Agreements (TIEAs) which have entered into force are enclosed as Annexure with this statement. India has also signed following agreements, which have not yet entered into force.

New DTAAAs: Columbia, Ethiopia, Lithuania, Uruguay and Estonia. Renegotiated DTAAAs: Australia, Nepal and Norway. TIEAs: Argentina, Jersey, Guernsey, Liberia and Macau.

The DTAAAs contain provisions for allocation of taxing rights between source country and resident country; for avoidance of double taxation and for prevention of fiscal evasion. DTAAAs also contain provisions for exchange of information for tax purpose. TIEAs are agreements for exchange of information for tax purpose.

(a) 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 although the tax has not been assessed or raised yet, some persons have paid taxes amounting to about Rs.181 crore so far. 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.

