

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:245

ANSWERED ON:07.02.2014

BLACK MONEY IN SWISS BANK .

Bundela Shri Jeetendra Singh;Mani Shri Jose K.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has been able to impress upon Switzerland to provide data on bank account holders of Indian origin;
- (b) if so, the details thereof;
- (c) the amount of money belonging to people of Indian origin held in Swiss banks at the end of 2011, 2012 and 2013;
- (d) whether the Government proposes to develop any mechanism with Switzerland in this regard; and
- (e) if so, the details thereof along with the steps taken or proposed to be taken by the Government to bring back the aforesaid money?

Answer

MINISTER OF FINANCE SHRI P CHIDAMBARAM

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

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 245 RAISED BY SHRI JOSE K. MANI AND SHRI JEETENDRA SINGH BUNDELA, HON'BLE MEMBERS OF PARLIAMENT FOR REPLY ON 7TH FEBRUARY, 2014.

Parts (a)and (b): Switzerland agreed, on India's request, to amend the Double Taxation Avoidance Agreement (DTAA) between the Government of India and the Swiss Confederation through an Amending Protocol which has entered into force on 7th November, 2011. The Amending Protocol has amended the Article on Exchange of Information to specifically provide for exchange of banking information in specific cases that relates to any period after 1st April, 2011. The Amending Protocol contains a provision that the requesting State has to provide the name of the person(s) under examination or investigation and, if available, other particulars facilitating that person's identification such as address, date of birth, marital status, tax identification number. Similarly, it provides that the requesting State also has to provide the name and, if available, address of any person believed to be in possession of the requested information. The Amending Protocol also provides that these clauses contain important procedural requirements that are intended to ensure that the fishing expeditions do not occur, nevertheless they need to be interpreted in order not to frustrate effective exchange of information. Thus, through the amended DTAA, Switzerland has agreed to provide banking information in specific cases. Subsequently, India has made references requesting information in accordance with DTAA. Bilateral discussions with Switzerland are being held at regular intervals. Finance Minister of India has met the Swiss Finance Minister and has also written a letter to her in December, 2013, requesting Switzerland to provide the banking information sought by India.

Part (c): As per information available on the website of Swiss National Bank, the total liabilities of Swiss Banks towards Indians, including in the fiduciary business, at end of 2011 and 2012 was 2183 Million CHF (approximately Rs. 12,340crores) and 1421 Million CHF (approximately Rs. 8,547crores) respectively. The figures for the end of 2013 are not yet available.

Parts (d) and (e): The legal mechanism for exchange of banking information in specific cases is through the amended DTAA as stated above. This has been supplemented by instructions to officers of the tax department detailing the procedure for making reference in specified Proforma clearly bringing out the foreseeable relevance of the request and providing other relevant background information. Further, India and other G20 countries have given a call, through leaders' declaration on 6th September, 2013, to every jurisdiction, including Switzerland, to exchange information automatically as per a single global uniform standard enabling us to receive information about Indians having bank accounts in Switzerland on an automatic basis.