

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3343

ANSWERED ON:01.08.2014

BLACK MONEY STASHED ABROAD

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Will the Minister of FINANCE be pleased to state:

- (a) the names of countries with which the Government is interacting with regard to bringing back black money stashed abroad and the progress made therein;
- (b) whether any country has shared or disclosed the names of Indians holding accounts in various banks abroad;
- (c) if so, the details thereof, country-wise and if not, the reasons therefore; and
- (d) the process/modality worked out by the Government in its attempt to bring back black money stashed abroad?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN)

(a): The Government of India has signed a number of Double Taxation Avoidance Agreements (DTAAs) and Tax Information Exchange Agreements (TIEAs) with various countries/jurisdictions. It has also joined the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (Multilateral Convention) and SAARC Multilateral Agreement. Under these agreements, information as is foreseeably relevant for administration or enforcement of the domestic laws concerning taxes in specific cases can be received from our treaty partners. The current status of these Exchange of Information Instruments as on 30th June, 2014, is as per Annexure. In addition, negotiations for entering into new DTAAs with Azerbaijan, Chile, Hongkong, Iran, Nigeria and Venezuela and negotiations for entering into new TIEAs with Costa Rica, Democratic Republic of Congo, Panama, Maldives, Saint Kitts & Nevis, Seychelles, Andorra, Anguilla, Antigua and Barbuda, Aruba, Barbados, Brunei Darussalam, Cook Islands, Curacao, Dominica, Dominican Republic, Faroe Islands, Greenland, Grenada, Honduras, Jamaica, Montserrat, Peru, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Sint Maarten, Turks and Caicos and Vanuatu are going on.

(b) and (c): In June, 2011, France has provided details of Indians having bank accounts in one of the banks of Switzerland, under the provisions of Double Taxation Avoidance Convention (DTAC) between India and France. In March, 2009, information regarding deposits/outstanding amounts in the accounts maintained by 12 trusts/entities with LGT Bank in Liechtenstein was received by Government of India from the German Tax Authorities under the DTAC between India and Germany. The 12 trusts/entities involved 26 individuals of Indian origin/nationality. In addition, information about bank accounts has been received in specific cases where requests for such information have been made by the officers of the tax department.

(d): The steps taken to bring back black money in the country which has been stashed abroad include (i) Setting up of a Special Investigation Team (SIT), Chaired and Vice-Chaired by two former judges of the Hon'ble Supreme Court, to unearth black money stashed abroad (ii) Joining the global efforts to combat cross-border global tax evasion and tax fraud and to promote international tax compliance, including supporting the implementation of a uniform global standard on automatic exchange of information, on a fully reciprocal basis, to address the problem of taxpayers hiding their money in offshore financial centres and tax havens through multilayered entities with non-transparent ownership (iii) Taking appropriate legislative measures such as reporting of assets (including bank accounts) kept outside the country (iv) Renegotiation of Double Taxation Avoidance Agreements (DTAAs) with other countries to bring the Article on Exchange of Information to International Standards and expanding our treaty network by signing new DTAAs and by entering into Tax Information Exchange Agreements (TIEAs) with many tax jurisdictions to facilitate the exchange of information and to bring transparency (v) Joining the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (vi) Proactively engaging with foreign governments for exchange of information under the provisions of DTAAs/TIEAs/Multilateral Convention (vii) Effectively utilizing the information received from treaty partners to combat tax evasion and avoidance (viii) Conducting training and sensitization programmes for the officers of the tax department for making requests in appropriate cases to our treaty partners, etc.