

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1434
ANSWERED ON:18.07.2014
LEGISLATION OF BLACK MONEY
Devi Smt. Rama;Khaire Shri Chandrakant Bhaurao

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is contemplating a proposal to legalise black money;
- (b) if so, the details thereof and measures proposed to be taken in the matter;
- (c) if not, the reaction of the government thereto; and
- (d) the corrective measures taken by the Government in this regard?

Answer

FINANCE MINISTER (SHRI ARUN JAITLEY)

(a) No Madam.

(b) Does not arise in view of the reply given in (a) above.

(c)&(d) Drive against tax evasion is an on-going process. Appropriate action under direct tax laws including assessment of income, raising tax demand, levy of penalty and launching of prosecution in appropriate cases is taken whenever tax evasion is detected. Searches and surveys conducted under the Income-tax Act have led to detection of valuable evidence of large scale tax evasion which has been brought into tax.

The Government has taken various steps under a multi-pronged strategy to deal with the issue of black money which includes the following:-

- (i) Taking appropriate legislative measures such as reporting of assets (including bank accounts) kept outside the country.
- (ii) Setting up institutional mechanism to deal with money generated through unlawful acts.
- (iii) Setting up of a Special Investigation Team (SIT) to unearth black money stashed abroad.
- (iv) 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.
- (v) 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.
- (vi) Joining the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.
- (vii) Effectively utilizing the information received from treaty partners to combat tax evasion and avoidance.