

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND FAMILY WELFARE (SHRI DINESH TRIVEDI): (a) Yes, Sir. Under the National Rural Health Mission (NRHM), Common Review Missions (CRM) are undertaken every year as part of the periodic review. The CRM teams comprise of a multi disciplinary team of Government functionaries, public health experts, civil society members and development partners and assess the progress made in different States in key areas of NRHM. The 3rd CRM was undertaken in November, 2009, and covered 14 States and 3 Union Territories. The report of the CRM provided an overview of the progress made under NRHM and gave critical insight in areas of infrastructure, human resources, institutional strengthening, programme management systems, community process and innovations made in the States and UTs. The findings of the CRM was disseminated in a national level Workshop.

(c) and (d) The Common Review Mission in its report has mentioned that at some places higher order medicines instead of basic generic medicines were found to be prescribed. The States have been requested to take remedial action in the matter. NRHM promotes rational drug use and strengthening of the system of procurement logistics in different States and UTs to ensure uninterrupted availability of generic drugs.

#### **Legislation of check siphoning off of black money**

\*444. PROF. P.J. KURIEN : Will the Minister of FINANCE be pleased to state:

(a) the details of efforts being made by Government to bring back the vast sums of black money siphoned off from the country and deposited in the banks in tax havens abroad;

(b) whether Government is contemplating to modify and strengthen the existing laws, or to bring any new comprehensive legislation to check such siphoning off of black money from the country; and

(c) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) to (c) There is no verifiable information available about money allegedly parked in the banks located abroad in violation of relevant laws of the country. However the Central Board of Direct Taxes has asked its investigation Directorates to collect information about Indian nationals suspected to have bank accounts in tax havens, and agents/officials of foreign banks who are offering services and soliciting opening of foreign bank accounts. They have also been asked to collect information as regards foreign visits of Indian nationals to tax havens. Efforts are being made for collection of evidence during Search/Survey operations pertaining to opening of foreign bank accounts or other assets outside India. Besides, whenever any specific case of suspected unauthorized maintenance/operation of account abroad by persons resident in India comes to the notice of

Directorate of Enforcement, appropriate action, as warranted under the Foreign Exchange Management Act (FEMA) and Regulations made thereunder is taken. No roving enquiries can be made by the said Directorate.

2. Further, India's Double Taxation Avoidance Agreements with foreign countries (commonly referred to as tax treaties) contain provisions relating to exchange of information for tax purposes. Whenever any information in terms of such provisions, regarding money deposited in banks abroad is received, appropriate action under the provisions of the Income-tax Act, 1961 and Wealth-tax Act, 1957, is initiated by the Income-tax Department to bring to tax the income and wealth not disclosed before the tax authorities.

3. Our tax treaty partners can also be requested to assist in collection of tax claim, if the tax treaty with that country contains specific provision for assistance in collection of taxes.

4. India has taken active part, through G 20, in building global consensus for ending bank secrecy and for taking action against those jurisdictions/countries that are not transparent or co-operative in exchanging information with other countries. This has given India an opportunity to broaden the scope for exchange of information for tax purposes with respect to tax treaties which do not contain specific obligations for exchange of bank related information. Consequently, the Ministry of Finance has taken up the matter, directly or through diplomatic channels, requesting the existing treaty partner countries for renegotiation of article concerning exchange of information in the tax treaties for specifically including provisions for obtaining bank related information. Responses from some of these countries, along with their counter proposals, have also been received recently. Negotiation has already been completed in one case. Besides, the treaty partner countries, with whom our treaties do not have provisions relating to assistance in collection of taxes, have been approached for inclusion of such a provision. Government has also written to prioritized non-treaty countries/jurisdictions for entering into negotiations for Agreement for Exchange of Information and Assistance in Collection of Taxes. Negotiations in this regard have also been completed in two cases.

5. In order to facilitate exchange of information, two Income Tax Overseas Units (ITOU's) within the Indian Mission have been created in Singapore and Mauritius and officers have been posted therein. In addition to this, it has been decided to create 8 more such units in USA, UK, Netherlands, Japan, Cyprus, Germany, France and UAE.

6. In accordance with currently prevailing international practice, tax treaties do not have provision for seeking repatriation of money deposited abroad in violation of the domestic laws of the country.

7. At present there is no proposal for any legislative change in the matter.