

- (v) Verification of tax credit is a sine-qua-non for speedy processing. TDS deductors are required to compulsorily e-file their TDS returns on quarterly basis.
- (vi) To improve the fidelity of the mechanism and to reduce mismatches between deducted claims and corresponding tax deduction statement from deductors, quoting of PAN b\ deductors in their return has been made mandatory. For improved compliance, failure to provide PAN number to deductor now results in higher rate of TDS.
- (vii) Facility of viewing individual Tax Credit Statement in Form 26AS is made available to tax payers so that they can verify the TDS details before filing their return of income and take proper steps with the deductor(s) to rectify mistakes, if any.
- (viii) To expedite faster issue, dispatch and delivery of refunds. Refund Banker Scheme has been extended to whole of India for non-corporate tax payers since 2nd August, 2010.
- (ix) Grievance Redressal Mechanism has been strengthened and prompt disposal of tax payer grievances and its continuous monitoring has been made necessary. Income tax Ombudsman across the country has been created to ensure that delivery of this objective becomes effective.
- (x) The Income-tax Department is constantly monitoring the mechanism/procedure of issuance of refunds so as to upgrade the existing system to avoid delays and improve tax payer service in this respect.

Relaxation in information sharing norms by Switzerland

1281. SHRI A. ELAVARASAN: Will the Minister of FINANCE be pleased to state:

- (a) whether Switzerland has relaxed norms for information sharing on secret banks' accounts of overseas tax offenders by allowing varied modes of identification in a move that could help India in its black money trail;
- (b) if so, the details thereof;
- (c) whether the name and address are accepted at present as valid identify modes; and
- (d) if so, whether as per the revised norms India would be able to track black money in these foreign banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) Upon entry into force, the Amending Protocol between India and Switzerland will amend, *inter-alia*, the article concerning Exchange of Information

in the existing Double Taxation Avoidance Agreement (DTAA) between the two countries to specifically provide for exchange of banking information as well as information without domestic interest. 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 fishing expeditions do not occur, nevertheless they need to be interpreted in order not to frustrate effective exchange of information. Thus, upon entry into force, the Amended DTAA will enable India to get banking information in specific cases for a period beginning 1st April, 2011 and thereafter.

Probe into Citibank fraud

1282. DR. JANARDHAN WAGHMARE: Will the Minister of FINANCE be pleased to state:

(a) whether the Income Tax Department has contemplated probe into the Rs. 400 crore Citibank fraud;

(b) if so, whether the Enforcement Directorate has also been investigating the case of money laundering against the perpetrators of the Citibank scam;

(c) if so, whether the Central Government or RBI proposes to take any steps to prevent such scams in the private banks in future; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Investigation Directorate of the Income Tax has initiated necessary enquiries as far as the source of deposit of persons in Citibank is concerned. As regards the main person behind the scam, as per available information, matter is under investigation by Haryana Police.

(b) The Directorate of Enforcement has initiated enquiries in the matter.

(c) and (d) Reserve Bank of India as part of its supervisory process takes the following measures to prevent/reduce the incidence of frauds:

(i) Sensitizes banks from time to time about common fraud prone areas through issuance of modus operandi circulars on various types of frauds and the measures to be taken by them.

(ii) Issues Caution Advices to banks to exercise due diligence while sanctioning fresh loan facilities to the borrowers mentioned in such advice.