

(a) whether it is a fact that under the aegis of the Organisation for Economic Cooperation and Development (OECD), the Convention on Mutual Administrative Assistance in Tax Matters have been launched in May, 2011;

(b) whether India contemplated to join the 20-Members' Convention which envisages providing of administrative cooperations among its constituents for pursuing financial crimes even in absence of bilateral tax agreements;

(c) if so, the details thereof;

(d) whether it is a fact that Government has recently decided not to assume membership of OECD; and

(e) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Multilateral Convention on Mutual Administrative Assistance in Tax Matters was developed jointly by the Council of Europe and the OECD and was opened for signature by the member States of both organizations on 25th January, 1998. This multilateral instrument, which was initially signed by 15 countries, provides for all possible forms of administrative co-operation between States in the assessment and collection of taxes, in particular with a view to combating tax avoidance and evasion. In response to the April, 2009 call by the G-20 for a global instrument to fight international tax evasion and avoidance, the Convention has been brought up to the internationally agreed standard on information exchange for tax purposes and in particular by requiring the exchange of bank information on request through an amending Protocol which also provides for the opening of Convention to all countries. The Protocol has entered into force on 1st June, 2011.

(b) and (c) On 3rd November, 2011, at the G-20 Summit in Cannes, Indian representative signed a statement of intent affirming the intention of Government of India to sign the Convention and to take necessary steps for that purpose in accordance with the internal procedure of Government of India.

(d) and (e) India is sectorally engaged with OECD in areas of interest. The matter regarding India's membership of OECD is not under consideration at present.

FDI in pharmaceutical sector

837. SHRI R.C. SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Department of Industrial Policy and Promotion has been requesting the Ministry to put some conditions or restrict FDI in pharmaceutical sector;

(b) if so, the reasons therefor; and

(c) the reasons that the Ministry is not in favour of restricting FDI in pharma sector in the light of brownfield acquisitions by MNCs and fast depleting of Indian pharma companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) to (c) Department of Industrial Policy and Promotion (DIPP) had received a number of representations regarding concerns related to the takeover of domestic pharmaceutical companies by foreign companies/multinational corporations. Comments thereon were invited from concerned Ministries/Departments, including the Department of Economic Affairs. The issue was also discussed in an Inter- Ministerial meeting.

A High-level Committee was subsequently constituted by the Planning Commission to examine this issue. Following the discussions on the deliberations/report of the Committee, the Government has reviewed the Foreign Direct Investment (FDI) Policy in the Pharmaceutical sector. This policy is as under:—

- (i) FDI, upto 100%, under the automatic route, would continue to be permitted for Greenfield investments in the pharmaceuticals sector.
- (ii) FDI, upto 100%, would be permitted for Brownfield investments (*i.e.* investments in existing companies), in the pharmaceuticals sector, under the Government approval route.

Press Note 3 (2011 Series) dated 08.11.2011 issued by DIPP in this connection is available at <http://dipp.nic.in>.

Online display of unclaimed deposits

838. SHRI RAMDAS AGARWAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government has directed all State-run banks to make public and display on their websites details of unclaimed deposits aggregating Rs. 1700 crore built up over the last several years, to encourage account holders to reclaim funds parked with these banks and to ensure greater transparency;

(b) if so, the details of unclaimed deposits Bank-wise and State-wise, till 31 March, 2011; and

(c) whether Government's policy to deal with such unclaimed deposits which are more than 2-7 years old and where rightful claimants have died without providing any information about their bank account details to their kin?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) Government of India has advised all public sector banks to display list of inoperative accounts on their respective websites. Reserve Bank of India (RBI) has also been asked to advise other scheduled commercial banks to display such list of inoperative accounts on their respective websites.