

proposal to sign TIEAs with another 34 countries/jurisdictions is under process. These countries/jurisdictions are Andorra, Anguilla, Antigua and Barbuda, Aruba, Barbados, Belize, Brunei Darussalam, Cook Islands, Curacao, Dominica, Dominican Republic, Faroe Islands, Greenland, Grenada, Honduras, Jamaica, Montserrat, Peru, Saint Lucia, Saint Vincent and the Grenadines, Samoa, San Marino, Sint Maarten, Turks and Caicos, Vanuatu, Argentina, Bahrain, Gibraltar, Liechtenstein, Maldives, Marshall Islands, Panama, Saint Kitts & Nevis and Seychelles.

All these DTAAAs and TIEAs contain an Article on Exchange of Information under which Indian tax authorities can seek information about a taxpayer.

(e) and (f) Information is regularly exchanged with the treaty/agreement partners and is forwarded to the field authorities for taking appropriate action. The information exchanged is governed by the confidentiality clause of the respective DTAA/TIEA.

Demerger of Telecom Operators

2218. SHRI JAI PRAKASH NARAYAN SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Commissioner of Income Tax has filed an appeal before the Hon'ble High Court regarding the demerger of a leading Telecom Operator with its Tower Division;

(b) if so, the details thereof;

(c) whether it is also a fact that the demerger scheme was undertaken by the company to evade tax; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) : (a) and (b) Some of the leading telecom companies had filed petitions under provisions of Companies Act before jurisdictional High Courts seeking sanction of scheme of arrangements for demerger/transfer of their Passive Infrastructure Assets. In one of the cases where the said scheme was sanctioned by the division bench of High Court of Gujarat, the Income tax department has filed a Special leave petition before the Supreme Court in which a notice has been issued to the respondents. In some other cases, a single judge bench of the Delhi High Court sanctioned the scheme and the Commissioners of Income Tax concerned have filed appeals before the division bench, which are pending.

(c) and (d) It has been the stand of the Income Tax department before the Courts that the demerger schemes were undertaken by the companies to evade tax. The matter is sub-judice.

Reduction in commission of PPF agents

2219. SHRI SANJAY RAUT : Will the Minister of FINANCE be pleased to state:

(a) whether recommendation of Shyamala Gopinath Committee for abolishing one per cent commission of agents of PPF schemes and to reduce commission on postal small saving schemes have victimised the agents across the country;

(b) whether Small Savings Agents' Welfare Association, Mumbai has represented to the Ministry to reconsider the Committee's recommendation; and

(c) if so, the action that the Ministry is taking to reconsider the 'one-sided report'?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) The recommendation of Shyamala Gopinath Committee regarding agents' commission was to reduce commission of 0.5% on Senior Citizens Saving Scheme (SCSS) and 1% on Public Provident Fund (PPF) to zero, reduce 4% commission under Mahila Pradhan Kshetriya Bachat Yojana (MPKBY) to 1% in a phased manner and to reduce 1% commission for all other schemes under Standardised Agency System (SAS) to 0.5%. The Government, after consulting all the stakeholders and the representations received, has decided to reduce the commission under PPF and SCSS to zero and under SAS to 0.5%. However, commission under MPKBY continues to be at 4% for the time being.

The main intention of these recommendations is to make these schemes more investor centric than agent centric.

(b) and (c) Representations of Small Savings Agents' Association from various States including Mumbai were received in the past. Taking into account of large number of representations received from Small Savings Agent's Associations, Members of Parliament, other dignitaries and others, the Government accepted most of the recommendations of the Committee.