

- (b) the names of the persons having black money in foreign banks; and
- (c) the action taken in each case, so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) No authentic estimate of black money of Indians in foreign banks is available with the Government.

(b) The information received under the provisions of Double Taxation Avoidance Agreements (DTAAs)/Tax Information Exchange Agreements (TIEAs)/Multilateral Convention on Mutual Administrative Assistance in Tax Matters/SAARC Multilateral Agreement (in short tax treaties) is covered by the confidentiality clause in the said tax treaties and the contents of the information received cannot be disclosed to persons other than those involved in the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by the said treaties. Further, the details relating to assets and assessment of income, etc. regarding specific taxpayers cannot be disclosed.

(c) 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 was taken.

**Report of P. J. Nayak Committee on governance in banks**

180. SHRI D. RAJA:

SHRI M.P. ACHUTHAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the P. J. Nayak Committee on the issue of governance in banks has submitted its report;
- (b) if so, the main recommendations of the committee and Government's decision thereon;
- (c) whether it is a fact that major bank trade unions have protested against the implementation of its recommendations particularly on the dilution of Government ownerships in Public Sector Banks (PSBs) to 50 per cent of their paid up capital; and
- (d) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) The P. J. Nayak Committee has submitted its report to Reserve Bank of India. The main recommendations of the Committee relate

to elimination of dual control over Public Sector Banks (PSBs), upgradation of the quality of Board deliberation, setting-up of a Bank Investment Company (BIC) and reducing Government's stake in PSBs to less than 51%, uniform licence regime across all broad based banks, selection of top management of bank by Banks Board Bureau and subsequently by BIC and then Banks' Board.

(c) and (d) Major Bank Trade Unions have protested against the implementation of the recommendations of the Committee including dilution of Government ownership. There is no proposal with the Government to dilute its ownership in PSBs below 50%.

#### **Flaws in Caveat Emptor Doctrine for financial products**

181. DR. CHANDAN MITRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Caveat Emptor Doctrine for sale of financial products and services has certain fundamental flaws in the customer protection architecture and has created large welfare losses for customers;

(b) if so, the details thereof along with the reasons therefor; and

(c) the steps taken by Government to discourage lenders from mis-selling financial products and services and to hold them accountable for all products they are offering by converting the caveat emptor principle by caveat venditor doctrine?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) to (c) The sale purchase of financial products and services are governed by the regulatory framework administered by financial sector regulators *viz.* Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority (IRDA) and Pension Fund Regulatory and Development Authority (PFRDA). On account of the growing complexity of financial markets, information asymmetries, market externalities and differences in bargaining power between the financial service providers and the consumers, protection standards for financial consumers are constantly being improved. The financial sector regulators are committed to the principle of open disclosures by the seller, ensuring well informed decisions by the consumers.

#### **Proposal for revival of Land Development Bank in Maharashtra**

†182. SHRI RAMDAS ATHAWALE : Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government has received any request from the State Government of Maharashtra regarding relaxation of certain norms for revival of Land Development Bank along term cooperative credit structure in Maharashtra;

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†Original notice of the question was received in Hindi.