

**Global declaration for automatic exchange of tax information**

3604. SHRI A.W. RABI BERNARD: Will the Minister of FINANCE be pleased to state:

(a) whether India and several other countries have adopted a global declaration for automatic exchange of tax information to effectively tackle tax evasion;

(b) if so, the details thereof:

(c) whether India will continue to put pressure on Switzerland to share information on alleged illegal funds stashed away by its citizens in Swiss Banks in line with this declaration; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) Yes, Sir.

(b) Forty-four countries, including India, (the “Early Adopter Group”) issued a joint statement on 19th March, 2014 committing themselves for early adoption of the Common Reporting Standard on Automatic Exchange of Information (the new standard is available at <http://www.oecd.org/ctp/exchange-of-tax-information/automatic-exchange-financial-account-information-common-reporting-standard.pdf>). This statement was issued as the signatories recognize that tax evasion is a global problem requiring global solution and the new global standard on automatic exchange of information between tax authorities will provide a step change in their ability to clamp down on tax evasion, which reduces public revenues and increases the burden on those who pay their taxes.

India alongwith 46 other countries and European Union have also adopted a Declaration on Automatic Exchange of Information on 6th May, 2014. A copy of the Declaration is available at <http://www.oecd.org/mcm/MCM-2014-Declaration-Tax.pdf>.

(c) and (d) The Finance Minister has written a letter to the Swiss Finance Minister on August, 2014, inviting Switzerland to join the “Early Adopter Group” to the new global standards. A request has also been made to Switzerland for entering into a Competent Authority Agreement on Automatic Exchange of Information as per the new global standards to enhance further cooperation between India and Switzerland in tax matters.

**Provision of IT rebate on interest paid on home loan.**

3605. SHRIMATI GUNDU SUDHARANI :

SHRI T.K. RANGARAJAN :

Will the Minister of FINANCE be pleased to state:

(a) whether Income Tax Act provision under which interest paid on Home Loan for three years during construction period of a house is eligible for deduction from the year in which flat is acquired/construction completed;