

**Outflow of black money from the country**

965. SHRI NEERAJ SHEKHAR:

SHRI ARVIND KUMAR SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether as per the study report of Global Financial Integrity, Washington, around ₹ 6 lakh crores of black money were illegally taken out of India during 2012;

(b) if so, the details thereof along with details of black money which went out of India during 2013 and 2014;

(c) whether flow of black money to other countries from India has not stopped so far;

(d) if so, the reasons therefor; and

(e) the details of steps Government has taken to check flow of black money from India to other countries?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) The figure of about ₹ 6 lakh crore appears to be based upon a report on 'Illicit Financial Flows from Developing Countries: 2003-2012' released in December 2014 by Global Financial Integrity, a Washington DC based non-profit research and advisory organization. Varying estimations of the amount of illicit money moving out of the country have been reported by different persons/institutions. Such estimations are based upon different sets of facts, data, methods, assumptions, etc. leading to varying inferences. However, there is no official estimation of the amount of black money stashed abroad/black money taken out of the country.

(b) Case specific details in respect of black money taken out of the country are not given in the above-mentioned report. As submitted above, there is no official estimation of the amount of black money stashed abroad/black money taken out of the country.

(c) to (e) Appropriate action against evasion of taxes/duties, including through cross-border transactions, is an on-going process. Such actions include investigation, levy of taxes/duties, imposition of penalties/fines and prosecution of accused persons under relevant laws. The Government has put in place appropriate regulatory mechanism to check illicit movement of money out of the country. Such mechanism includes regulatory framework for making foreign remittances, taking appropriate action in cases involving misuse of the medium of trade for moving money out of

the country illegally including through overvaluation in imports, undervaluation in exports, remitting foreign exchange on forged import documents, payments/remittances for non-genuine purchases of goods/services/technical know-how, etc. Further, the Government has taken effective measures to curb the menace of black money stashed abroad. Such measures include (i) Introduction of a comprehensive new law in the ongoing Budget Session 2015, specifically to deal with black money stashed abroad – The Undisclosed Foreign Income and Assets (Imposition of Tax) Bill, 2015 – *inter alia*, providing for stringent penalties (equal to three times the amount of tax payable) and prosecutions (rigorous imprisonment up-to ten years with fine) in this regard; (ii) Constitution of a Special Investigation Team (SIT), in May 2014, Chaired and Vice-Chaired by two former judges of the Hon'ble Supreme Court, *inter alia*, to deal with issues relating to black money stashed abroad; (iii) While focusing upon non-intrusive measures, due emphasis on enforcement measures in high impact cases with a view to prosecute the offenders at the earliest possible for credible deterrence against tax evasion; (iv) Strengthening and streamlining the information collection and enforcement mechanism, *inter alia*, through extensive use of information technology, capacity building, etc.; (v) Joining the global efforts to combat cross-border tax evasion and tax fraud and to promote international tax compliance, including supporting the implementation of a uniform global standard on Automatic Exchange of Information on a fully reciprocal basis facilitating exchange of information regarding persons hiding their money in offshore financial centres and tax havens; (vi) Renegotiation of Double Taxation Avoidance Agreements (DTAAs) with other countries to bring the Article on Exchange of Information to International Standards and expanding India's treaty network by signing new DTAAs and Tax Information Exchange Agreements (TIEAs) with many tax jurisdictions to facilitate the exchange of information and to bring transparency; (vii) Proactively engaging with foreign governments for exchange of information under the provisions of DTAAs/TIEAs/Multilateral Convention; (viii) Exploring non-governmental sources to obtain information regarding undisclosed foreign assets; (ix) Effectively utilizing the information received from treaty partners to combat tax evasion and avoidance.

#### **Gold deposits**

966. SHRI DEVENDER GOUD T. : Will the Minister of FINANCE be pleased to state:

(a) the estimated gold deposits with Government and people in the country separately;

(b) the amount of foreign exchange that India has been losing due to import of gold in the last three years, year-wise;