Steps taken to retrive black money

†*26. DR. SANJAY SINH: Will the Minister of FINANCE be pleased to state:

(a) the steps taken to bring back the black money stashed in foreign banks and the outcome thereof;

(b) the amount of black money brought back after implementation of the Undisclosed Foreign Income and Assets (Imposition of Tax) Bill, 2015 in the current year; and

(c) whether Government has failed in bringing back the black money stashed in foreign countries?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) to (c) The Government has taken several measures to effectively deal with the issue of black money, particularly black money stashed away abroad. Such measures include policy-level initiatives, more effective enforcement action on the ground, putting in place robust legislative and administrative frameworks, systems and processes with due focus on capacity building and integration of information and its mining through increasing use of information technology. Recent major initiatives of the Government in this regard include – (i) Constitution of the Special Investigation Team (SIT) on Black Money under Chairmanship and Vice-Chairmanship of two former Judges of Hon'ble Supreme Court, (ii) Enactment of a comprehensive new law - The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 which has come into force *w.e.f.* 01.07.2015 to specifically and more effectively deal with the issue of black money stashed away abroad, (iii) Introduction of the Benami Transactions (Prohibition) Amendment Bill, 2015 to amend the Benami Transactions (Prohibition) Act, 1988 with a view to, *inter-alia*, enable confiscation of Benami property and provide for prosecution, (iv) Proactively engaging with foreign Governments with a view to facilitate and enhance the exchange of information under Double Taxation Avoidance Agreements (DTAAs)/Tax Information Exchange Agreements (TIEAs)/Multilateral Conventions, (v) According high priority to the cases involving black money stashed away abroad for investigation and other follow-up actions including prosecutions in appropriate cases, (vi) 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 for credible deterrence against tax evasion/black money, (vii) Proactively furthering global efforts to combat tax evasion/black money, *inter-alia*, by joining the Multilateral Competent Authority Agreement in respect of Automatic Exchange of Information

† Original notice of the question was received in Hindi.

and having information sharing arrangement with USA under its Foreign Account Tax Compliance Act (FATCA).

The Income Tax Department is entrusted with the responsibility of investigating the tax evasion/black money cases and taking other follow up actions such as assessment of income, levy of tax, interest and penalty and filing of prosecution complaints before criminal courts, wherever applicable. Other law enforcement agencies such as Enforcement Directorate, Central Bureau of Investigation, etc. also take action under their respective laws in relevant cases, depending upon facts of each case. Such taxes, penalties, etc. form part of the total tax liability of each assessee and is recovered in accordance with law. There are provisions for recovery of the same from the assets kept abroad also in accordance with legal instruments with relevant foreign jurisdictions. However, as per scheme of the Income-Tax Act, 1961, only the demand/liability raised in relation to the assessed total income is recoverable and not the undisclosed income/black money *per-se*. Recognizing the limitations under the existing legislation [Income-Tax Act, 1961, etc.], the Government took a considered decision to enact a comprehensive new law on black money - The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015. Under this law, for the first time, the offence of wilful attempt to evade tax, penalty or interest in relation to undisclosed foreign income and assets has been made a scheduled offence for the purposes of the Prevention of Money-Laundering Act, 2002 (PMLA). This enables attachment and confiscation of the proceeds of crime of wilful attempt to evade such tax, etc., eventually leading to recovery of such undisclosed foreign income and assets/black money stashed abroad. Further, where property/proceeds of crime is taken or held outside the country, PMLA has been amended through the Finance Act, 2015 enabling attachment and confiscation of property equivalent in value held within the country.

A total of 648 declarations were made under the one-time three months' compliance window provided in Chapter VI of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015. The compliance window closed on 30th September 2015. The above-mentioned declarations involve undisclosed foreign assets worth ₹ 4164 crore (including those declarations which were posted before 30th September 2015 and received after 30th September 2015) in respect of which the declarants were liable to pay tax at the rate of 30% along with penalty at the rate of 30% by 31st December 2015. The amount received by way of tax and penalty in such cases is about ₹ 2476 crore.