

(d) whether the assesses have been given a choice to opt for a particular tax administration *i.e.* Centre and State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIVPRATAP SHUKLA): (a) and (b) The division of assesses between Centre and State is decided by the Centre and State Governments. GSTN got an application developed using which Central and State tax authorities have uploaded the data on allocation of migrated taxpayers in the GST System database. As on 8th March, 2018 data on division of 60,89,534 migrated taxpayers has been entered into GST System.

(c) In order to ensure single interface for assesses under GST, the State Level Committees comprising of Chief Commissioner/ Commissioner of Central Tax and Commissioner of State tax have assigned the taxpayers to be under either the Central Tax or State Tax administration based on the turnover of the assesses on a proportionate basis. The assesses having turnover above ₹ 1.5 crores are to be assigned in the ratio of 50:50 between the Centre and the respective State while those having turnover less than ₹ 1.5 crores have to be assigned in the ratio of 10:90 between the Centre and the respective State.

(d) No choice has been given to assesses to opt for a particular tax administration.

#### **PNB scam**

1967. SHRI KAPIL SABIL: Will the Minister of FINANCE be pleased to state:

(a) whether Government is actually aware as to when PNB scam started, if so, details thereof and if not, the reasons therefor;

(b) whether Government is planning to bring back these defaulters who are out of India, if so, the details of such defaulters and timeline for getting them back; and

(c) whether it is a fact that PNB Mumbai branch had issued Society for Worldwide Interbank Financial Telecommunication (SWIFT) instructions to Indian Bank overseas without making entries in the core banking system, if so, the details of steps taken to ensure that this is not repeated?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIVPRATAP SHUKLA): (a) As per Reserve Bank of India (RBI) inputs, Punjab National Bank (PNB) reported fraudulent issuance of Letters of Undertaking (LoU) / Foreign Letters of Credit (FLCs) for payments of import bills, amounting to ₹ 12,967.86 crore, to RBI through its Fraud Monitoring Reporting System. RBI has apprised that LoUs were being issued since 10.3.2011.

(b) Directorate of Enforcement (ED) has apprised that, on the basis of FIRs registered by CBI, ED has filed two cases under the provisions of the Prevention of Money Laundering Act, 2002, has obtained non-bailable warrants against two defaulters, and is investigating the matter. Further, Ministry of External Affairs has apprised that all passports of two defaulters have been revoked/cancelled by the passport authorities, as per passport rules.

(c) As per inputs from Punjab National Bank (PNB), messages were sent via SWIFT to overseas branches of Indian banks, regarding fraudulently issued LoUs/FLCs, without entering the transactions in the bank's Core Banking System (CBS). PNB has apprised that it has taken the following steps to ensure that such unauthorised activities are not repeated:—

- (i) Establishment of an additional tier (off-site) as a third level of re-authorisation of SWIFT messages, wherein payment messages are re-authorised by a separate team of SWIFT Centre, Mumbai only after cross-checking the authenticity of messages in CBS;
- (ii) Defined SWIFT-user-based limits for all SWIFT users, under close monitoring;
- (iii) Switching off of SWIFT server (LTE) by 10:00 p.m., and restricting SWIFT operations at branches to 6:30 p.m. and centralised back office for trade finance by 7:00 p.m.;
- (iv) Concurrent auditors at branches advised to ensure physical reconciliation of all SWIFT messages with CBS on daily basis;
- (v) Placing of auditor at SWIFT Centre, Mumbai to carry out audit of SWIFT Operation at SWIFT Centre, Mumbai for anomaly, if any; and
- (vi) Monitoring of SWIFT user ID creation/resetting on the recommendation of senior level functionaries.

#### **Smuggling activities by crew of Jet Airways**

1968. SARDAR BALWINDER SINGH BHUNDER: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that several crew members of Jet Airways have been found engaged in smuggling activities and some of them have been arrested by Directorate of Intelligence (DRI) allegedly trying to smuggle foreign currency;

(b) if so, the details thereof;