

of the India-Switzerland DTAA amended by the Protocol facilitate exchange of information, including banking information, on request basis in the cases under investigation. To enhance cooperation in this area, bilateral meetings are held between the Competent Authorities of the two sides on regular basis.

India and Switzerland are also signatories to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAC). India and Switzerland have, for automatic sharing of financial account information, including banking information, signed a Joint Declaration on 22nd November, 2016 for activation of the AEOI in tax matters between the two countries. The necessary legal arrangements have been put in place and from September, 2019 onwards, India will receive annually, information of financial accounts held by Indian residents in Switzerland for the calendar year 2018 and subsequent years. This will be useful in tracing unaccounted income and assets of Indian residents in Switzerland and bringing the same to tax.

The use and disclosure of the information received is governed by the confidentiality provisions of the India-Switzerland tax treaty.

#### **Adverse effects of GST on micro scale industries**

2945. SHRI SANJAY SINGH:

SHRI TIRUCHI SIVA:

Will the Minister of FINANCE be pleased to state:

(a) whether around twenty lakh people have been affected directly and close to one crore indirectly by the inclusion of micro scale industries, like ice cream manufacturers, under 18 per cent GST regime;

(b) if so, the reasons therefor;

(c) whether earlier such industries were under composition scheme which stipulated 1 per cent VAT to be paid on total sales to Government;

(d) if so, the details as to why such a step has been taken in the first instance; and

(e) whether Government is considering moving micro scale industries like ice cream manufacturers to some other tax rate under GST, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) to (e) As per the recommendations of the GST Council, ice cream manufacturers have been excluded from the purview of Composition Scheme.