

**GST reforms**

2597. PROF. M.V. RAJEEV GOWDA: Will the Minister of FINANCE be pleased to state:

- (a) whether there is a plan to bring petroleum products and electricity into the purview of GST;
- (b) whether the Ministry is open to the option of cross-utilisation of at least CGST credit across India by States which was an option during service tax era; and
- (c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) As per Article 279 A (5) of the Constitution, the Goods and Service Tax Council shall recommend the date on which the goods and services tax be levied on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel (ATF). As per the section 9(2) of the CGST Act, inclusion of these products in GST will require recommendation of the GST Council. So far, the GST Council has not made any recommendation for inclusion of petroleum products under GST.

As regards electricity, it is within the ambit of GST. However, it attracts nil rate of GST as per the recommendation of the council.

- (b) and (c) There is no such proposal at present.

**Sharing information by banks on overvaluation of coal imports**

2598. SHRI JOSE K. MANI: Will the Minister of FINANCE be pleased to state:

- (a) whether the Directorate of Revenue Intelligence (DRI) had sought RBI's assistance in obtaining information from two State-owned banks on the alleged overvaluation of coal imports from Indonesia by Indian companies;
- (b) whether the RBI has declared that it has no power to ask banks to share information on customers to third parties including investigative agencies; and
- (c) whether two other private banks have shared all information with DRI on the case citing national interest, while two Government-owned banks have declined to do so citing the confidentiality clause?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) Yes, DRI had sought assistance of the RBI in obtaining information from two state owned banks on the alleged overvaluation of coal imports from Indonesia by Indian companies.

(b) Yes, the RBI stated that there is no statutory provision which enables RBI to decide about the permissibility of sharing of customer information by any bank with third parties, irrespective of whether it is in the interests of the bank or otherwise.

(c) Two private banks shared the documents relating to consignments of Indonesian coal transacted through them, whereas, three State-owned banks located overseas, refused to share the said documents, citing absence of mandate from the customer as per the relevant country's banking laws.

#### **Prevention of insider trading by SEBI**

2599. SHRI JOSE K. MANI: Will the Minister of FINANCE be pleased to state:

(a) whether prompted by the insider information received from a whistle-blower that exposed the NSE co-location algorithmic trading, the SEBI has come out recently with a discussion paper to nip insider trading in the bud;

(b) whether SEBI paper has proposed an informant mechanism where genuine whistle-blowers will be rewarded upto ₹ 1 crore for exposing fraud and wrongdoing in companies relating to trading on insider information; and

(c) whether SEBI is likely to confine this scheme to insider trading only leaving out the bigger evil of siphoning of funds by promoters?

THE MINISTER OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) SEBI informed that direct evidence of insider trading is not easily available and that which is generally available is almost completely circumstantial. While investigating cases pertaining to insider trading, several challenges are faced by SEBI while procuring information on potential insider trading violations including dealing with complaints made through non-official channels by unscrupulous or interested persons.

Hence, SEBI has issued the "Discussion Paper on amendment to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to provision for an informant mechanism" on 10.06.2019.

(b) and (c) SEBI informed that in respect of the proposed reward to be provided, the Discussion paper *inter alia* proposes as follows:—

‘ The total amount of monetary reward shall be [10 %] of the monies collected but shall not exceed ₹one (1) crore or such higher amount as may be specified. An interim reward not exceeding ₹ 10 lacs may be given at the stage of issuance of the final order by the SEBI against the person directed to disgorge. The final reward, after adjusting the interim reward, shall be issued after collection or recovery of the monies disgorged equal to atleast twice the final reward.’