

**Reduction in devolution of Central Funds to States**

1344. SHRI MANAS RANJAN BHUNIA: Will the MINISTER OF FINANCE be pleased to state:

(a) whether the Fifteenth Finance Commission has submitted its proposal to reduce the devolution of Central Funds to the States at the rate of 41 per cent instead of 42 per cent at present; and

(b) if so, the exact proposal and the step Union Government is going to take?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) Yes, Sir.

(b) Fifteenth Finance Commission in its first report has made following recommendation:-

"Para 1.17 of the report: For the year 2020-21, we are inclined to leave the vertical split of the divisible pool at the same level as recommended by the FC-XIV. However, we have to take into account recent changes due to the re-organisation of the erstwhile State of Jammu and Kashmir. We have notionally estimated that the share of erstwhile State of Jammu and Kashmir would have come to around 0.85 per cent of the divisible pool. We believe that there is a strong case for enhancing this to 1 per cent of the divisible pool to meet the security and other special needs of the Union Territories of Jammu and Kashmir and Ladakh. Since this enhancement has to be met from the Union's resources, we recommend that the aggregate share of States may be reduced by 1 percentage point to 41 per cent of the divisible pool."

Union Government has accepted this recommendation of the Commission and laid 'Explanatory Memorandum as to the action taken on the recommendations of Fifteenth Finance Commission' in both houses of the Parliament on 1st February, 2020.

**Separate investment window for life insurance policies**

1345. SHRI B. LINGAIAH YADAV: Will the Minister of FINANCE be pleased to state:

(a) whether Government is looking at separate investment window for life insurance policies; and

(b) if so, the details thereof and steps being taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) At present, there is no proposal of this nature under consideration.