

Black money: CBDT asks Income Tax department to speed up overseas requests

With the current financial year coming to a close soon, CBDT has asked the Income Tax department to speed up select black money and tax evasion probe cases which require cooperation from foreign agencies under existing bilateral treaties.

Officials said the Central Board of Direct Taxes (CBDT) has asked the taxman to send across to it all such cases for exchange of information which are getting "time barred" by March 31, the last day of the 2015-16 fiscal.

According to an official instruction in this regard, the department officials have been asked to send these requests latest by the end of this month so that they can be scrutinised, formatted and finally sent abroad before March end.

A special wing in the CBDT, called the Foreign Tax and Tax Research, is mandated to process these requests sent by various regions of the tax department from across the country in pursuance of their respective probes under IT laws.

"A good number of cases of tax evasion and black money are pending investigation and instructions have been specially issued for those cases which are getting time barred by the 2015-16 fiscal. Once the time barring period gets over, it becomes legally untenable for the department to take prosecution action against defaulters and evaders," a senior official said.

The official said instructions to get these judicial requests quickly sent to the CBDT have been notified after the issue was discussed by the top brass of the CBDT at a meeting held recently here.

India has two major mechanisms -- Double Taxation Avoidance Agreements (DTAAs) and Tax Information Exchange Agreements (TIEAs) -- to seek cooperation from foreign counterparts in cases of tax evasion, with an overseas ramification.

Government has collected a total of Rs 2,428.4 crore in taxes after over 600 declarations were made by stash holders to the IT department under the one-time black money compliance window that ended last year.

A total of 644 declarations were made under the compliance window, provided under the new anti-black money law, which closed on September 30 last year.

(Economic Times)