

Few takers for black money window says SIT chief

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There have not been too many applicants in the first month seeking to avail of the three-month long compliance window being offered by the government to come clean on unaccounted money in foreign shores, Justice MB Shah (retd), who is heading the Special Investigation Team (SIT) on black money told HT.

“A few applications have come but the number is small as of now and the financial implications minor. But we expect a surge in the coming days,” Shah said. This is in line with expectations as a top income tax official had told HT that defaulters will try to wait till the end of the window period. “In the first month, not many applicants were expected. We expect the real action to start only towards the end of the window period,” the official said.

The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, came into effect on July 1 after being notified on May 26. The application forms came on July 4. The three-month long compliance window period announced on July 1 comes to an end on September 30.

Under the compliance window, undisclosed assets abroad can be declared by September 30 while the person will get another three months till December 31 to pay tax and a penalty on such assets. Tax will be levied at the rate of 30% while the penalty will be 100% of the tax. Altogether, the person will have to pay 60% of the taxable value or amount declared.

“As it is from 2017 onwards, all such information of money stashed abroad will be available under the Automatic Exchange of Information (AEOI) agreement that has already been signed,” Shah added.

India has inked two major pacts for information exchange. One is the June 3 AEOI treaty signed in Paris, where 94 jurisdictions have agreed to exchange information on an automatic basis from 2017 onwards.

On July 9, India had also inked a mutual exchange of information with US authorities under the Foreign Account Tax Compliance Act (FATCA). In effect, from September 30, Indian and US banks, stock broking firms, mutual funds, etc. will exchange client details which will be shared with the respective governments.

(Business Standard)