

Black money: Keep foreign info strictly secret, CBDT tells I-T

CBDT has issued fresh instructions to the taxman to ensure that information on individuals holding black money abroad is strictly kept secret as any "careless" act could give an excuse to the data supplying country for not helping India in the future.

"In many countries, governments have given commitments to their citizens... that information will not be provided under the tax treaty if the recipient country has not complied with its obligations under the agreement to protect the confidentiality of information and using the information solely for collecting and enforcing taxes covered by the agreement.

"Further, in many countries... governments have recognised that the offshore financial centres have agreed to exchange information under tax treaties only if the information is treated as confidential and used for the purposes specified in the agreement through which it is exchanged. Any breach of these requirements may provide an excuse to them (foreign nations) not to provide information in future," CBDT told its officials in the latest instructions issued vis-a-vis cases of illegal funds stashed abroad.

The Central Board of Direct Taxes (CBDT) is the apex policy making body of the Income Tax department.

The instructions, accessed by PTI, added that "it is, therefore, essential that for continued assistance by our treaty partners, the information received should be kept confidential and should be used and disclosed as per the terms of agreement.

"The officers of the tax department should ensure that no inappropriate disclosure is made either intentionally or by accident or carelessness," it said.

There have been many instances in the past of the government citing these treaty riders while refusing to disclose the names of such individuals before their cases reached the prosecution stage.

The names of at least seven "Indian nationals" holding Swiss bank accounts were recently made public in Switzerland's Federal Gazette with regard to details sought about them by the Indian authorities.

(Times of India)