

End capital gains tax exemption to curb money laundering: BSE

The Bombay Stock Exchange (BSE) today called for ending exemption of capital gains tax on securities to contain various entities using capital markets to evade taxes and launder money.

The government should re-think the exemption on capital gains taxes on traded securities, which listed companies enjoy, in order to avoid misuse of the trading platform to launder money and evade taxes, BSE Managing Director and Chief Executive Ashishkumar Chauhan said here today.

He admitted that multilevel "checks and balances" at exchanges alone will not be able to end money laundering.

Chauhan said that the BSE, which celebrated 140 years of trading today, is working on a proposal to be submitted to the government which would make it difficult for companies to seek exemption on capital gains tax.

One such proposal is to identify those companies which fail to play fairly in the market and then prevent them from availing of capital gains tax exemption, he said.

"What we saw recently is the use of the market platform for tax evasion. We are in the process of putting up more checks and balances on our main board as well as on the SME platform," he said, about the recent suspension of 43 companies from its main board for alleged tax evasion.

His remarks came amidst a recent crackdown by the Securities and Exchange Board of India against 239 individuals and entities for allegedly misusing the BSE's SME platform to launder money as well as evade taxes.

(Economic Times)