

14 More I-T units to Track Black Money

The government will set up 14 more Income Tax Overseas Units (ITOUs) to deal with the menace of black money and keep a tab on illegal routing of funds from abroad and parking money in foreign countries.

The finance ministry has recently sent a detailed proposal in this regard to the ministry of external affairs along with the names of the countries where these ITOUs would be made operational.

India has already established 10 ITOUs in its missions at Cyprus, France, Germany, Netherlands, Japan, the UAE, UK, USA, Mauritius and Singapore, and the finance ministry and the investigation wing of I-T department has found the experiment successful as “good” information has been received by Indian financial sleuths in connection with their probes.

“The proposal to establish 14 more ITOUs has been sent to the MEA. The proposal is under consideration and the MEA and the finance ministry have had a few rounds of talks on the subject,” a top finance ministry official said.

Countries where these new ITOUs would be set up include Switzerland, an important partner country with which India has revised its Double Taxation Avoidance Agreement (DTAA) and the tax exchange treaty to effectively combat illegal funds stashed abroad or routed from foreign countries.

These ITOUs are manned by tax officers who are designated as First Secretaries to “maintain effective coordination and liaison between Indian tax authorities and the tax authorities of countries concerned”.

Former finance minister Pranab Mukherjee, in his Budget speech for 2012-13, had made a sizeable allocation for setting up these I-T overseas offices.

While the initial budgetary allocation for these units was R2.41 crore in the last fiscal, it has been raised to R18.20 crore in the current year.

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