

## Paradise Papers' expose: 714 Indian entities linked to offshore accounts

### PARADISE PAPERS OFFSHORE EXPOSE

- Investigation units of I-T Department alerted to take note of revelations for immediate action
- Out of 180 countries, India ranks 19th in terms of number of names
- Paradise Papers include 7 million loan agreements, financial statements, emails, trust deeds and other paperwork
- Data published on ICIJ website are mainly from two firms – Bermuda's law firm Appleby and Singapore's family-owned trust company Asiaciti



### PANAMA PAPERS INVESTIGATIONS SO FAR

- 426 persons of Indians or persons of Indian origin named
- I-T Department conducts enquiries in all 426 cases
- After analysis, 147 actionable cases identified; 279 non-actionable cases
- Among the 147 actionable cases, undisclosed credits of ₹792 crore detected
- Searches conducted in 35 cases; surveys in 11
- In 5 cases, criminal prosecution complaints have been filed

**New Delhi, November 6:** Paradise Papers' revelations — a new treasure-trove of information on the offshore finances of the super rich — sent the Narendra Modi government into a scurry on Monday, with the Centre deciding to reconstitute the multi-agency group set up last April for Panama Papers' probe.

The group is headed by the Central Board of Direct Taxes Chairman and has representatives from the CBDT, the Enforcement Directorate, the RBI and the Financial Intelligence Unit; it will monitor the investigations of cases in the Paradise Papers.

The CBDT also alerted the Income-Tax Department's investigation units for "immediate appropriate action".

The leaks set off political ripples, with the main Opposition, the Congress, demanding that the Centre order an investigation. The party said the Paradise Papers proved that Prime Minister Narendra Modi's "so-called fight" against black money and corruption remains a "complete flop".

With 714 Indian names, mostly corporate entities, figuring in the data leaks mainly from two firms — Bermuda’s law firm Appleby and Singapore’s family-owned trust company Asiaciti — Indian tax authorities will have to plumb deep into the offshore structures and initiate action against those involved in any impropriety.

The CBDT also noted that the names of only a few Indians (legal entities as well as individuals) have appeared so far in the media. Even the ICIJ (International Consortium of Investigative Journalists) website has not yet released the names and other particulars of all the entities.

The website suggests that the information will be released in phases and the structured data connected to the investigation will be released only in the coming weeks on its offshore leaks database, the CBDT added.

The latest move by the CBDT will enable tax sleuths to go after the 714 Indian links, but prosecution may not be easy, say experts.

Aseem Chawla, Partner, Phoenix Legal, a law firm, said the challenge for the law-enforcement agencies and tax authorities is to place conclusive reliance on stolen information for tax proceedings purposes.

Tax authorities need to consider whether information not obtained through means such as under the Tax Information Exchange Agreement (TIEA) can be relied on in the absence of any corroboration, he said.

“It is widely recognised that Appleby did issue a pre-warning to its clients that its private files may have been compromised by a hack attack last year, which seemingly is the source of the Paradise Papers,” Chawla told *BusinessLine*.

Amit Singhania, Partner, Shardul Amarchand Mangaldas & Co, a law firm, said, “This is a very early stage; we need to see what kind of data has been stolen and if the data also reveals the amounts of investment and sources of investments apart from names of investors.”

Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP, a CA firm, said: “Such complex investigations need a multi-agency probe. Due to the nature of such crimes, it takes time to achieve a closure as we saw with the Panama Papers.”

## **Panama Papers**

On the Panama Papers’ probe, the CBDT, in a separate statement, said that based on analysis of the information obtained and investigation conducted, 147 actionable cases and 279 non-actionable cases (non-residents/no irregularities, etc) had been established.

Of the 147 actionable cases, investigations have led to the detection of undisclosed credits of about ₹792 crore so far. Searches were conducted in 35 cases and surveys in 11 cases. In five cases, criminal prosecution complaints have been filed. In seven cases, notices have been issued under the Black Money (Undisclosed Foreign Income and Assets) law.

Meanwhile, Congress chief spokesperson Randeep Singh Surjewala said: “Modi had promised to bring back ₹80-lakh crore in the first 100 days and to deposit ₹15 lakh in the bank accounts of every Indian. Fortyone months later, Modi has back-stabbed the people.”

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