

April 14, 2015

Dear Sir/Madam:

**Interactive Meeting on “Attack on Black Money”
Tuesday, 28th April, 2015 at Walchand Hirachand Hall, (4th Flr), IMC.**

Indian Merchants’ Chamber is organizing an interactive meeting jointly with the Chamber of Tax Consultants on – **Attack on Black Money** as per following details:

Date & Date : Tuesday, 28th April 2015

Time : 6.15 pm to 7.45 pm
(with fellowship and tea / coffee from 5.45 pm to 6.15 pm)

Venue : Walchand Hirachand Hall, 4th Floor, Indian Merchants’
Chambers, Churchgate, Mumbai-400 020.

Black money or undisclosed money causes harm to the society. It is unfair to the people who pay proper taxes. It needs to be dealt with appropriately. At the same time, there should be fairness in the law so that unintended violations are not punished severely.

The Government has introduced a bill – “The Undisclosed Foreign Income and Assets (Imposition of Tax) Bill, 2015”. It has also proposed amendments to Foreign Exchange Management Act and Prevention of Money Laundering law. It will not only affect those who have undisclosed incomes and assets, but also advisors, banks or financial institutions who aid in stashing black money overseas. It will not only apply to direct owners of assets, but also to beneficial owners and beneficiaries in any assets. It will affect those who have foreign holdings through complex structures and trusts.

Stringent penalties and Imprisonment of up to seven years and in some cases up to ten years has been proposed. The proposed law provides for a short window to disclose the undisclosed assets whereby one can avoid imprisonment. One needs to consider and advise on this.

Some of the issues to be considered are:

- Is the entire value of foreign assets affected by the new law, or only the foreign income component?
- Implications of considering the violation as predicate offence under the Prevention of Money Laundering Act.
- Implications of section 37A of Foreign Exchange Management Act – seizure of foreign assets.
- Does the law apply to incomes earned prior to the enactment of the new law?
- Implications on-going investigations due to disclosure of names having foreign accounts in HSBC list and other lists.
- Is there natural justice available in the law for unintended violations?

: 2 :

This interactive session is organized to understand the proposals and their implications. **Advocate Mr. Nishith Desai**, and **Advocate Mr. Sanjay Sanghvi** will provide insights during the meeting.

All members are co-cordially invited to attend the meeting. Kindly send us your confirmation to Mr. Upendra Shah, Director (Finance), IMC at upendra@imcnet.org. (Tel: 22046633 Extn:111/120)

With regards,

Sanjay Mehta
Asst. Director-General