



GES Alert

Harmonizing global & local perspectives

Additional clarifications issued for the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (BMA)

Issue no: GES/20/2015

In this issue:
Upcoming Dbriefs- Register
Contacts

The government has issued further FAQs in respect of the declarations to be made under the BMA:

- Declaration required for any accretions to the pension account in the form of interest, dividend, capital gain, etc chargeable to tax from the year the person becomes a resident. Disclosure of pension account as a foreign asset also required in the return;
- Pension received in a foreign bank account required to be declared from the year the person becomes a resident. No foreign tax credit allowed;
- A resident employer paying salary in a foreign bank account chargeable to tax without deducting tax will be liable for interest and penalty under the Income-tax Act, 1961 (Act) even if the employee has declared the undisclosed account comprising such salary;
- The value to be declared for a foreign bank account shall be all credits in the bank account representing unreported taxable income from the date the person becomes a resident;
- For valuing a bank account, reduction in the value due to withdrawals made for acquiring a new asset or deposit in another bank account is allowed. The amount deposited in the other bank account or value of the new asset will be considered separately;
- Where a bank statement cannot be obtained, the person can make declaration for that period on a best estimate basis. If subsequently the reportable value is found to be higher, immunity will be available only to the extent of declaration made. No refund will be granted in respect of excess amount paid;
- The declarant is required to provide a broad computation while declaring a bank account where its value is different from the sum of all credits in the account (eg. where shares are purchased using funds from the account);
- Only proportionate value of an immovable property outside India to be declared to the extent of funding from undisclosed income (excluding proportion funded by mortgage). However, where mortgage payments are also made out of a bank account comprising of undisclosed income, such bank account is also required to be declared;
- An e-wallet/virtual card online account maintained on a website hosted in a foreign country which has been funded by undisclosed income will have to be valued on the same basis as prescribed for a bank account;
- It is not mandatory to file the valuation report along with the declaration. However, the declarant is required to maintain valuation report or any other document for arriving at the

asset value;

- The undisclosed foreign asset declared is required to be included in the books of accounts or the person should maintain a record of the asset where no books of accounts are required to be maintained;
- A settlor or a trustee of a private trust may make declaration in respect of assets of the trust. Immunity available to the settlor, trustee and the beneficiary. The beneficiary may make declaration in respect of his share where the settlor passes away. No tax will be payable again at the time of distribution of such assets;
- Declaration can be made by a person who has funded an undisclosed foreign property held in the name of his spouse. Immunity will be granted to both;
- Where undisclosed foreign bank account is held in joint names, each person is required to make declaration in respect of the funds contributed by each of them;
- The bank account of an individual's spouse/child entirely funded by the individual is not required to be declared except where it consists of any accretions or consideration for supply of goods/services;
- Indian tax residents qualifying as treaty residents of another country not required to make declarations where income is not chargeable to tax. Deduction allowed from the value of a bank account to the extent of rental income exempt from India tax as per the treaty;
- Declaration can be made of an undisclosed foreign asset held during a year for which the income tax assessment has been completed and the asset went untaxed during that year;
- Where the assessee has not disclosed an asset to the tax officer during scrutiny proceedings due to which it has not got taxed under the Act, the asset shall be assessable under the BMA.
- If no information has been received up to 30 June 2015 by the competent authority from a foreign government in respect of a foreign asset, such undisclosed asset can be declared;
- All partners of a partnership firm will be granted immunity under the Act, Wealth tax Act 1957, Foreign Exchange Management Act 1999, The Companies Act 1956/2013, if any partner makes a declaration. However, the directors of public company making a declaration will not be granted immunity under the Securities Exchange Board of India Act, 1992 ('SEBI') or under the Indian Penal Code;
- Declarations made relating to undisclosed foreign assets and income will be kept confidential.

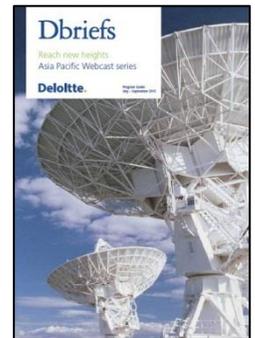
As there were many queries received from the public, the government has issued further clarifications given the due date of making declarations is 30 September 2015.

Upcoming Dbriefs - Register

Transfer Pricing Developments in India: Range, Multiple Year Data, Advance Pricing Agreements, and Audits

On 10 September 2015 from 11:30 AM to 12:30 PM IST

Recent transfer pricing developments in India include proposals from the Government to reduce the extent of audits and litigation. The range and multiple year data concept will soon be incorporated into law. Furthermore, some high profile judgments are ensuring that the path to transfer pricing certainty slowly becomes clear in India. What does this mean for your Indian operations? Find out how companies impacted by Indian transfer pricing can navigate the regime with these updates. For more information, visit the [Dbriefs](#) page.



Register now

Contacts

Ahmedabad

Heritage, 3rd Floor,
Near Gujarat Vidyapith,
Off Ashram Road,
Ahmedabad – 380 014.
Tel: + 91 (079) 2758 2542
Fax: + 91 (079) 2758 2551

Coimbatore

Shanmugha Manram
41, Race Course,
Coimbatore
Tamil Nadu - 641018
Tel: + 91 (0422) 439 2801
Fax: +91 (0422) 222 3615

Kolkata

Bengal Intelligent Park Building Alpha,
1st floor, Block EP and GP Sector V,
Salt Lake Electronics Complex,
Kolkata - 700 091.
Tel : + 91 (033) 6612 1000
Fax : + 91 (033) 6612 1001

Bangalore

Deloitte Centre, Anchorage II,
100/2, Richmond Road,
Bangalore 560 025.
Tel: +91 (080) 6627 6000
Fax: +91 (080) 6627 6010

Delhi/Gurgaon

Building 10,
Tower B, 7th Floor,
DLF Cyber City,
Gurgaon 122 002
Tel : +91 (0124) 679 2000
Fax : + 91 (0124) 679 2012

Mumbai

Indiabulls Finance Centre,
Tower 3, 28th Floor,
Elphinstone Mill Compound,
Senapati Bapat Marg, Elphinstone (W),
Mumbai – 400013
Tel: + 91 (022) 6185 4000
Fax: + 91 (022) 6185 4101

Chennai

No.52, Venkatanarayana Road,
7th Floor, ASV N Ramana Tower,
T-Nagar,
Chennai 600 017.
Tel: +91 (044) 6688 5000
Fax: +91 (044) 6688 5050

Hyderabad

1-8-384 and 385, 3rd Floor,
Gowra Grand S.P.Road,
Begumpet,
Secunderabad – 500 003.
Tel: +91 (040) 6603 2600
Fax: +91 (040) 6603 2714

Pune

106, B-Wing, 7th Floor,
ICC Trade Tower,
Senapati Bapat Road,
Pune – 411 016.
Tel: + 91 (020) 6624 4600
Fax: +91 (020) 6624 4605

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

This material and the information contained herein prepared by Deloitte Touche Tohmatsu India Private Limited (DTTIPL) is intended to provide general information on a particular subject or subjects and is not an exhaustive treatment of such subject(s). This material contains information sourced from third party sites (external sites). DTTIPL is not responsible for any loss whatsoever caused due to reliance placed on information sourced from such external sources. None of DTTIPL, Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this material, rendering professional advice or services. The information is not intended to be relied upon as the sole basis for any decision which may affect you or your business. Before making any decision or taking any action that might affect your personal finances or business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this material.

© 2015 Deloitte Touche Tohmatsu India Private Limited. Member of Deloitte Touche Tohmatsu Limited.

[Home](#) | [Add Deloitte as a safe sender](#)

Follow us on:

