

India Rejuvenation Initiative

Statement read out by Shri J.M.Lyngdoh in the Press Conference held in the Press Club of India at 4.30 p.m. on 14.9.2009

India Rejuvenation Initiative (IRI) is a purely non-political and social forum comprising of a few concerned and conscientious citizens working to check corruption and ensure probity in public life for the last three years. Today a day long National Workshop on **Forging a Public Movement for Recovery of India's Stolen Assets (Black Money) from Foreign Countries** was organized by IRI at IIC.

You are aware that several reports have appeared in the Press in the last one year or so suggesting that Indian nationals held about Rs.70 lakh crore in secret Swiss Bank Accounts. It had also appeared in the Press that the USA, UK, Canada and Italy amongst others had earlier lodged formal requests with the German authorities for supply of details of their respective nationals who held secret accounts in Liechtenstein's LTG Bank.

In the meantime, UBS AG, Switzerland's largest bank paid a fine of \$780 million and has agreed to provide the names of about 4450 account holders who are suspected to have fraudulently evaded taxes in the United States. Several other countries like the United Kingdom, France and Germany have also come out in the open against tax evaders who have been parking their ill-gotten funds in tax havens spread across the world. It is understood that Government of India have also received 53 names from Liechtenstein's LTG Bank but neither the names nor details of action taken by Indian Authorities have been made public. Recently, Swiss Authorities have also reportedly told Government of India that they are not going to give names if India just throws the Telephone Directory at them! It is strange that despite Government being seized of the matter since long, it has, so far, not presented specific cases to them.

After day long deliberations in the first National Workshop of its kind organized by India Rejuvenation Initiative (IRI), it has been unanimously resolved that a vibrant public movement would be built to focus public attention on the systematic loot of public funds over the years and the urgent need to recover India's stolen assets and take steps to control illicit flow of funds from India to foreign countries.

Towards this end, it was resolved that Government of India ought to take series of steps, few of which are being mentioned here:

- i. **Strengthen the provisions under FEMA on the lines of those provided in the Prevention of Money Laundering Act and make offences under FEMA ‘criminal offence’.**
- ii. **Renegotiation of the existing “Double Taxation Avoidance Agreements’**
- iii. **Immediately ratify the UN Convention against Corruption (UNCAC)**
- iv. **Permissions to foreign financial institutions for setting up branches to operate in India should only be given subject to their firm commitment to cooperate in any of their global branches in the course of an investigation of fiscal offences in India.**
- v. **Enact Corrupt Public Servants (Forfeiture of Property) Act**
- vi. **Prescribe procedure for confiscation of benami property under Section 8 of the Benami Transaction Prohibition Act (BTPA), 1988.**
- vii. **Publish the names of individuals holding bank accounts in Leichtenstein sent by German Authorities**

Since recovery of India’s stolen assets is important to our national pride, in case there is no visible ‘forward’ movement in this regard, steps will be taken to raise public awareness to the next level so that public pressure is brought to bear on both Government of India and foreign countries and particularly Swiss Government so that the country is able to recover its stolen assets and also control illicit flow of funds from India.

The Resolution of the Workshop will be forwarded to the Hon’ble Prime Minister, Union Finance Minister, Union External Affairs Minister, Union Law Minister, Chief Vigilance Commissioner and others for appropriate action. It will be our endeavour to see that the task of recovery of India’s stolen assets is not placed on the backburner and this issue does not fade away from public memory. In this task, we recognize the stellar role that can be played by the media. We appeal to all sections of society to support this initiative.

A detailed Note is also being circulated separately.