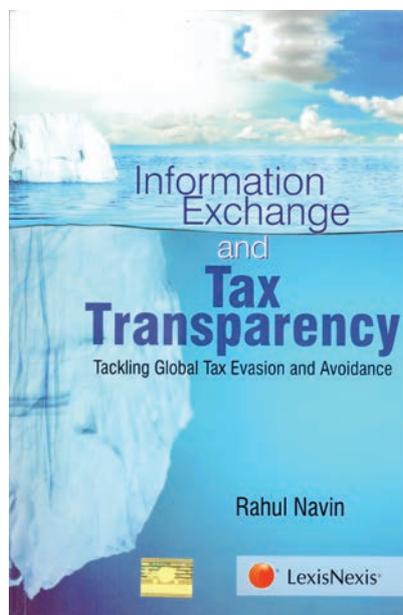


## A Masterly Analysis of Tax Transparency and Exchange of Information: A Must Read for Tax Authorities & Professionals\*



The debate on black money in India has political and economic overtones. It's not just about money escaping taxes but other forms of violations including exchange control, corruption law, etc. Towards this end, the recent developments around these aspects have put a spotlight on businesses in offshore international financial centres and unaccounted wealth in offshore banks. The need for implementing stringent standards on exchange of information across nations has topped Governmental agenda for OECD as well as non-OECD countries.

The need for a comprehensive analysis of the developments around the information exchange and tax transparency has always been felt, though informal analyses and discussions are in plenty on this subject. This book meets this demand.

The author starts by explaining the role of tax havens and offshore financial centres in global tax avoidance and evasion. He hits the nail on the head when he talks about how these tax havens and offshore financial centres have been identified and listed over the years. This includes the (in)famous Panama Papers leaks and their role in creating deterrence against offshore tax evasion.

The author then takes us through as to how the global standards of transparency and exchange of information have evolved over the years and the role of OECD, G20 and Global Forum in developing these standards. The author has painstakingly explained at length the key concepts of the exchange of information including its legal basis, standard of foreseeable relevance, exchange of past period information, stolen data issue, confidentiality of information exchanged, disclosure before the courts, limitation on exchange of information, rights and safeguards, etc.

The author reviews the performance of other forms of administrative assistance under the tax treaties including automatic exchange of information, spontaneous exchange of information,

**Title** : Information Exchange and Tax Transparency-*Tackling Global Tax Evasion and Avoidance*

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simultaneous tax examination and joint audits. The discussion on the provisions of FATCA and Common Reporting Standards (CRS) on Automatic Exchange of Information (AEOI) is interesting and touches the chords of how Governments across borders are reaching out to each other to bring about transparency and exchange of information.

This collection is a formidably researched piece of work and it needs to be commended for bringing out the same so effectively. It describes the complex areas surrounding offshore tax evasion very well and addresses the relevant developments in the context of wider international trends.

The book offers an in-depth discussion on various sensitive aspects relating to technical, legal, economic and geo-political nuances of information exchange and tax transparency. The book concludes with a discussion on key tax policy reforms proposed under G20/BEPS (base erosion and profit shifting) project aimed at improving tax transparency including AEOI and country-by-country reporting.

(\* Book Reviewed by CA. Sanjiv Chaudhary. Comments can be sent to [eboard@icai.in](mailto:eboard@icai.in).)

# Book Review

Over the decades, the author Mr. Rahul Navin has attained the status of a pre-eminent tax administrator, whose views are not only heard but also respected. His rich experience in being a part of investigation wing, as also in negotiation of Information Exchange Agreements during his stint with CBDT, gets reflected in various chapters of the book. This collection of his reflection on the events and developments on such an important subject is very informative, educative and thought provoking. It isn't the content alone that makes the book an interesting reading. This book is imbued with a rare warmth, a spirit of liberalism reflected in the willingness to seriously address rival points of view, which makes the thoughts on any point very engaging and enriching.

For instance, the meticulous efforts put in by the author in demonstrating the overestimation of black money of Indians abroad in tax havens and offshore financial centres is bold and commendable. With gentle persuasiveness and engaging reflections on various events, the author has highlighted as to how

the case of Hasan Ali Khan, who allegedly owes tax dues of ₹1.65 lakh crore to the Government, has contributed to the myth that substantial amount of money is stashed abroad. The ease and manner in which the author has touched various facets of this aspect like the possibility of Hasan Ali not having huge black money in Swiss bank (UBS AG) at all, how ITAT dealt with this case and how public perceived this, is really commendable. The author makes you engage with the book rather than simply read it.

The author has succeeded in covering all aspects in the framework of tax transparency and exchange of information. The timing of this book could not have been more appropriate as the recent developments have put more public and media attention around undisclosed assets stashed abroad including use of legal entities and arrangements with non-transparent ownership.

To sum up, this book is lucid, concise, witty and absorbing. Not just a good read but it is also a delightful one! A must read for all tax authorities, tax professionals, taxpayers and the public at large! ■

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