

BANK FOR INTERNATIONAL SETTLEMENTS DATA

Indian money in Swiss banks fell 34.5% in 2017: Goyal

‘Deposits declined 80% since the Modi government came to power in 2014’

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INDIAN DEPOSITS in Swiss banks fell by 34.5 per cent in 2017 and by 80 per cent since the Narendra Modi government came to power in 2014, Finance Minister Piyush Goyal said Tuesday, citing data from the global body of central banks, the Bank for International Settlements (BIS).

Goyal said this in Parliament while rebutting last month’s reports, which quoted the Swiss National Bank, the country’s central bank, as saying in its annual report that Indian deposits had risen by 50 per cent in 2017. He said that he discussed the issue with Swiss authorities, who told him in a written reply that media reports “have not taken account of the way the (SNB) figures have to be interpreted”.

Last month, PTI had reported SNB data that the money parked by Indians in Swiss banks rose to CHF1.01 billion (Rs 7,000 crore) in 2017 after falling for three consecutive years.

“The Swiss Authorities say that the figures published by SNB are regularly mentioned by the Indian media as a reliable indicator of the amount of assets held with Swiss financial institutions in respect of Indian citizens. They clarify how this is wrong. They say, more often than not, the media reports have not taken into



FM Piyush Goyal in Parliament on Tuesday. Renuka Puri

account the way the figures have to be interpreted which has resulted in misleading headlines and analysis. This is (the Swiss) government response,” he said.

However, his reply did not satisfy Trinamool Congress members who stormed into the Well of the House demanding that black money stashed in Swiss banks be brought back, forcing Chairman M Venkaiah Naidu to adjourn the proceedings for about 90 minutes.

Later, Goyal attacked Congress president Rahul Gandhi for maligning the country’s image by raising the issue of increase in black money deposits of Indians in Swiss banks based on baseless reports. “I think Rahul Gandhi should reply to the nation why he is maligning the image of the country on the baseless report,” he said.

Goyal said according to Swiss authorities, the more reliable data source is the Locational Banking Statistics (LBS) of Bank of International Settlements. While LBS measures international banking activity from a residence perspective, focusing on the location of banking office and captures around 95 per cent of all cross-border banking activity, SNB data includes non-deposit liabilities, the business of Swiss branches located in India, inter-bank transactions and fiduciary liability.

BIS data show non-bank loans and deposits — which constitute the individual and corporate deposits and exclude inter-bank transactions — have fallen by 34.5 per cent in 2017 to \$524 million against \$800 million in 2016, Goyal said. “Further, there has been a significant reduction in Swiss non-bank loans and de-

FUND FLOW		
	*(Data in \$ billion)	** (Data in CHF billion)
2013	2.648	2.03
2014	2.234	1.81
2015	1.447	1.22
2016	0.800	0.68
2017	0.524	1.02

Source: Finance Ministry, SNB, BIS
* Non-bank loans & deposits as per Bank for International Settlements (BIS)
** Deposits in Swiss Banks as per Swiss National Bank (SNB)

posits of Indians by 80.2 per cent between 2013 and 2017,” he said, adding that the figure in 2013 was \$2.6 billion which came down to \$2.3 billion in 2014 and \$1.4 billion in 2015. Moreover, it is frequently assumed that any assets held by Indians are undeclared,” he said.

Stating that there was a “misconception” about deposits in Swiss banks, he said: “Swiss Authorities themselves gave this is writing that the Swiss National Bank in collaboration with the Bank for International Settlements data shows that loans and deposits of Indians other than banks like RBI, State Bank, the deposits of individuals in Switzerland decreased by 34.5 per cent in the last year compared to the previous year and reduced 44 per cent in the last quarter.”