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## How to snitch your way to a reward of Rs5 crore

Informing the tax department about tax evaders and black money holders, along with documentary proof, can help you earn rewards up to Rs5 crore

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Under the ITI Reward scheme, a person can get reward of up to Rs5 crore for giving specific information about black money, whereas under BTI reward scheme, the reward is up to Rs1 crore. Photo: Hemant Mishra/Mint

Helping the income tax department in getting hold of tax evaders and black money holders can fetch you substantial rewards. In its revamped reward scheme for informants, Central Board of Direct Tax (CBDT) has enhanced the amount of reward to up to Rs5 crore.

To get this reward, an informant has to give specific information about the person in possession of black money, illegal assets or benami properties. If you have any information and proofs of illegal assets and tax evasion, read more about how you can help CBDT and walk home with the snitch money. But before you take a leap, do remember that sharing false information may create trouble for you.

## **Reward schemes**

The Income Tax Informants Reward Scheme (ITI Reward scheme), 2018 was introduced on 24 April 2018. This scheme overrides the 2007 scheme, titled “Guidelines for Grant of Rewards to Informants”, and other guidelines to reward informers.

The new scheme rewards an informant for giving information on undisclosed foreign income or assets and information related to tax evasion under Black Money (undisclosed foreign income and assets) Act, 2015 and Imposition of Tax Act, 2015.

## How you can get Rs 5 crore

Giving information to the tax man that is backed by documents on tax unpaid money and assets is now going to be rewarding. The cash-back formula is this:



Type of information	Interim reward		Final reward	
	Reward	Maximum limit	Reward	Maximum limit
Undisclosed foreign income or assets liable under Black Money (Undisclosed Foreign Income and Assets) Act, 2015	3% of additional tax levied	<b>Rs50 Lakh</b>	10% of additional tax levied and realized	<b>Rs5 crore</b>
Undisclosed income or assets liable under Income Tax Act, 1961	1% of additional tax realizable	<b>Rs10 lakh</b>	5% of additional tax levied and realized	<b>Rs50 Lakh</b>
Unaccounted or undisclosed cash exceeding Rs1 crore, under Section 132 of Income Tax Act, 1961	1% of additional tax realizable	<b>Rs15 lakh</b>	5% of additional tax levied and realized	<b>Rs1 crore</b>

Interim reward will be paid within four months of relevant assessment and imposition of tax, or forwarding of final investigation report depending on the case. Final reward will be paid within 6 months of confiscation of the benami property becoming final. The confiscation will be deemed final if two years from the date of confiscation has passed and there is no litigation pending against such confiscation.

Source: Income tax website

Another scheme, titled “Benami Transactions Informants Reward Scheme (BTI Reward Scheme), 2018”, aims to regulate the granting and the payment of a reward to an informant on benami properties.

Under the ITI Reward scheme, a person can get reward of up to Rs5 crore for giving specific information about black money, whereas under BTI reward scheme, the reward is up to Rs1 crore.

However, if a person gives information under both the schemes, the total reward cannot exceed Rs5 crore.

## **Who can inform and how?**

An informant can be an individual or a group of persons who give specific information to the department about tax evasion of Rs5 crore or more, or about one or more movable or immovable benami properties worth Rs 1 crore or more. However, remember that the informant needs to provide valid documentary evidence to support his allegations and claims. There is a set format and procedure which one needs to follow to provide information.

The person who wants to inform or provide documents under the ITI Reward scheme can approach the Director General of Income Tax (Intelligence). Those who want to provide information under BTI reward scheme can approach the joint commissioner of income tax or additional commissioner of income tax (Benami Prohibition). More information on these schemes can be seen [here](#) and [here](#).

Besides, there is a particular form prescribed under both the schemes that an individual can fill and submit it to the income tax department along with supporting documents and proofs.

In the form, one has to mention details like name, father's name, date of birth, address, Aadhaar, contact number and email ID along with information such as the amount of black money or assets, the parties involved, address of the assets like real estate, and so on.

Even foreign nationals can provide information under these schemes and get rewarded. They will have to mention their passport number in the form while furnishing the information.

## **Safety of informants**

Once the informant registers the complaint, she will be allotted an "Informant Code" by the income tax department and will be identified as that code during the probe process. This will help protect the identity of informants.

The information and all related documents and annexure or the reward paid to her will be confidential. Only a court will have the jurisdiction to ask for identity disclosure.

## Reward process

There are different reward slabs based on information provided and the value of the assets. The reward will be paid in two instalments—interim and final reward (*see graph*).

For example, for a person providing information on undisclosed foreign income or assets, liable under the Black Money (undisclosed foreign income and assets) Act 2015, an interim reward of up to 3% of additional tax levied or Rs50 lakh will be paid, while Rs5 crore will be paid as the final reward after the case is over, adjusting for the previous payment as interim reward.

Before determining the reward, the tax department will also consider the accuracy and precision of information, extent of usefulness, assistance rendered by the informant, additional tax levied and realised, and the risk, trouble and expenses undertaken by the informant.

Though the income tax department is offering substantial reward to the informants, very little information about this scheme is available on its website.

“To some extent, these schemes do help the department. But, there are a few challenges. For example, there is not much awareness regarding such schemes and the information which can help figure out tax evasions are generally confidential and not available to ordinary people,” said Amit Maheshwari, partner, Ashok Maheshwari and Associates, LLP, a Delhi-based chartered accountancy firm.

Remember to take utmost caution before sharing any information. “Furnishing false information is an offence and the informant can be subject to prosecution in that case,” said Maheshwari.

Also, there is no facility for online sharing of information and documents.

It remains to be seen how successful this scheme will be. Watch this space for updates.

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