Panama paper scandal

Why in news?

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The Supreme Court will hear the plea seeking a Central Bureau Investigation **(CBI) investigation into the Panama leak papers,** in which many Indian industrialists and celebrities have been named.

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What are Panama papers?

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- The Panama papers are files that are related to the documents and other details about illegal activities of wealthy off-shore account holders were leaked.
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- They were leaked from one of the world's most secretive companies, a Panamanian law firm called **Mossack Fonseca.**
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- The files show how Mossack Fonseca clients were able to launder money, dodge sanctions and avoid tax.
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- In one case, the company offered an American millionaire fake ownership records to hide money from the authorities.
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- This is in **direct breach of international regulations designed to stop money laundering and tax evasion.** It is the biggest leak in history, dwarfing the data released by the Wikileaks organisation in 2010.
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- There are links to 12 current or former heads of state and government in the data, including dictators accused of looting their own countries. More than 60 relatives and associates of heads of state and other politicians are also implicated.
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How it is related to India?

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- A petition was filed by Supreme Court advocate Manohar Lal Sharma seeking an apex court-monitored probe against the Indian offshore account holders and stock market regulators.
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- A bench led by Justice Dipak Misra was asked to direct the CBI to lodge FIRs and conduct probe into the alleged offences **under the Prevention of Corruption Act and Prevention of Money Laundering Act.**
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- The case is currently being monitored by a multi-probed agency headed by the Central Board of Direct Taxes (CBDT) chairman Atulesh Jindal and attended by officials from the investigative unit of the CBDT and its Foreign Tax and Tax Research division, the Financial Intelligence Unit (FIU) and the Reserve Bank of India (RBI).
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What ICIJ says?

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- The International Consortium of Investigative Journalists (ICIJ), a non-profit organisation based in Washington, obtained a cache of 11.5 million records detailing the offshore holdings of a dozen current and former world leaders, as well as businessmen, criminals, celebrities and sports stars.
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