

A Witty Out of the Box Solution to End Corruption and Tax Evasion

The governments in the US and many European countries are very concerned, and very rightly so, about the problem of tax-evasion. Many of these governments have been pursuing some of the Swiss banks for information on their citizens who have deposited stolen tax money there, and some countries have even been engaged in heated discussions with the Swiss government regarding the secrecy surrounding the issue. In the developing countries, people and politicians talk about the rampant corruption in their bureaucracy, and the need to get rid of it. But everyone seems helpless and no effective step is taken to tackle the problem.

Well, the solution to these problems is quite at hand.

The problem of corruption, tax evasion and many other socio-economic problems can be solved totally by adopting banking cards as the only mode of payments. Abolition of currency notes and coins would abolish all illegal, corrupt, and dishonest practices. The evidence of illegal trading, illegal work, smuggling, drug pedaling, human trafficking and other socio-economic crimes would straightaway be available to the enforcement authorities.

As every customer would be paying through their banking cards, no business would be able to hide any transactions and under-report their sales. And, as the businesses would be making payments to their suppliers and employees also from their business banking accounts using the banking cards, there would be record of all their purchases, and there would be no chance of false invoices or receipts being submitted. This would solve the problem of under-payment of the VAT/Sales Tax and

the income tax.

Under that system, not only no tax evasion can take place, the black money sitting in the Swiss banks (and in other foreign countries) would also be forced to return to the country. That money cannot be brought back in the form of currency notes to the country any more. It would be rendered worthless unless brought back through the duly recognized banking system. And, no one can bring any money into their bank account without having an explanation for that and paying all the dues on it. So, rather than letting their money being rendered worthless, the past tax-cheats would prefer to bring it back to their country and pay the dues to their government. Like the speed cameras, different filters on bank accounts would do the IRS/HMRC inspectors' work. Whenever any unusual amount of money (eg, black money presently sitting in the form of piles of currency notes, or money coming from a foreign country) enters a bank account, a filter would trigger an alert which would be received by the enforcement authorities who then can probe the matter.

The system would also squash the problem of illegal immigration. No business would be able to employ an illegal immigrant, because there would be no "cash" to pay a person who is not entitled to work in the country. Now the records of paying workers' wages would be in the business's bank account. So, who would dare to employ an illegal immigrant! Bank accounts could have NI numbers on them. Illegal immigrants would no longer be able to breathe in the system.

Professional thieves would look for some other honest professions. Most of the thieves steal to resell those goods. But selling a good that was not obtained in a legitimate way through a bank account would simply mean inviting prison sentence. Even the potential buyers of stolen goods would be deterred by the fact that their purchase would get recorded in their bank accounts. Thus professional thefts would just vanish.

Similarly, it would be so easy to catch drug paddlers and human traffickers. Even fraudsters would not be able to get very far. It would be easy to retrieve the money lost through frauds, as it would be sitting just as an entry in another bank account.

The days of banks being robbed and people being mugged for money would become history.

There would be no queues in the banks for getting cash or depositing cash. There would be no need to visit a bank for day-to-day transactions. One would need to visit a bank only to open or close an account, or get some advice. The banks would not need big premises. Their staffing needs would also go down, and so their costs. So, the fee they charge from their customers should also be much less. Certainly, they would be able to afford that the payments up to a certain amount, let's say \$200/£100/Rs 1000, attract no charge. Thus the banking system would be more efficient and less costly.

In a country like India, there would be another enormous benefit. No government official would be able to take a bribe – not even a penny. They would have only one personal account at one point of time. Any money coming into their account would get recorded. Every government official's (and their family members') bank accounts should have automatic filters. The moment they get any money coming into their account from any source other than their employer, they would be asked to explain that.

There would be immense benefits to the society, and it would reduce cutting the forests.

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