

ED Money-laundering probe into Vivo



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On July 8, 2022 the Delhi High Court asked the Enforcement Directorate to consider Vivo to allow it to unfreeze some of its bank accounts, in order to pay for its liabilities.

Highlights

- Justice Yashwant Varma has asked the enforcement directorate to respond on plea filed by vivo, seeking to unfreeze its accounts.
- Vivo filed this plea as company need to pay several liabilities including TDS, taxes, and excise duties. It needs to pay to employees also. These liabilities are increasing day by day.

ED's response

However, ED is opposing to Vivo's plea, stating that it was too early do so.

Court's direction

Considering the financial conditions of the vivo, court directed the ED to consider the representation in Vivo's petition and decide to allow to deal with seized property in accordance with Section 17(1) A of the Prevention of Money Laundering Act.

What is the case against Vivo?

The Enforcement Directorate is handling a money-laundering case on Vivo. As per ED, the mobile phone maker had remitted around Rs 62,476 crores of its turnover to China during 2017-2021, in order to avoid paying taxes in India. 18 companies were incorporated by fraud, which helped the Vivo company in transferring 50% of the turnover outside India. Majority of the turnover transferred to China. During that period, the sale proceeds was at Rs 1.25 trillion.

About Vivo

Vivo is a Chinese multinational technology company. It is headquartered in Dongguan, Guangdong. The company designs and develops smartphones, software, smartphone accessories, as well as online services. It also develops software for its phones, which are distributed via its V-Appstore. It is an independent company, that is developing its own products. It currently has 10,000 employees. The research & development centres of Vivo have been set up in Chinese cities of Shenzhen, Nanjing, Guangdong and Jiangsu.