

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTEMENT OF REVENUE**

**LOK SABHA  
UN-STARRED QUESTION NO. 2965**

**TO BE ANSWERED ON MONDAY, THE 07<sup>th</sup> AUGUST, 2023  
SRAVANA 16, 1945 (SAKA)**

**GSTN under Prevention of Money Laundering Act**

**2965. DR. G. RANJITH REDDY:  
SHRI MANICKAM TAGORE B.:  
SHRI VENKATESH NETHA BORLAKUNTA:**

Will the Minister of FINANCE be pleased to state:

- (a) the aims and objectives of Goods and Services Tax Network (GSTN) and Prevention of Money Laundering Act (PMLA);
- (b) whether the GSTN has been brought under the purviews of PMLA, if so, whether this decision was taken without any discussion in the 50th Meeting and many States including Karnataka, Rajasthan, Tamil Nadu and Telangana opposed this move, if so, the details thereof;
- (c) whether the Government has made any assessment about the impact of this decision on business and service providers, if so, the details thereof;
- (d) whether the new law will wreak havoc on the business community as it can be used to threaten trade and industry leaders who do not toe the Government's line or are affiliated with the opposition or have an independent voice, if so, the details thereof; and
- (e) whether this step proposes to practice, promote and propagate tax-terrorism, if so, the details thereof?

**ANSWER  
MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)**

(a) The aims and objectives of GSTN is to provide common and shared IT infrastructure and services to the Central and State Governments, Tax Payers and other stakeholders for implementation of the Goods & Services Tax (GST).

The aims and Objectives of PMLA is to prevent money-laundering and to provide for confiscation of property derived from, or involved in, money-laundering and for matters connected therewith or incidental thereto.

(b) There is no proposal under consideration to bring GSTN under the purview of PMLA. However, Government has recently issued a notification under Section 66 of PMLA enabling Director, Financial Intelligence Unit-India to send various reports like cash transaction report, suspicious transaction report etc. to GSTN for making them available to GST authorities, where such reports are found relevant for GST evasion.

(c) to (e) Does not arise.