

AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Yes, Sir.

(b) Despite rationalisation of Tariff and simplification of procedures, the present scheme of collection of Central Excise duty involves considerable interface between the excise officials and the assesses which often leads to misuse of authority and in some cases, becomes the cause of harassment, corruption and collusion. The Government has appointed a two member Committee - Shri S.V. Iyer, former Special Secretary to the Government of India, as Chairman and Dr. Amita Mitra, Secretary General, FICCI, as Member of this Committee so that they may suggest a new system where there is less interface, which is transparent, acceptable to assesses but at the same time, interest of revenue is safeguarded and where collection is robust and stable. The observations made in the news item refers to different provisions of Central Excise rules which will be reviewed by the committee.

(c) and (d) The Committee has been taking evidences from trade interests and the Central Excise Department and is expected to complete the task by the end of October, 1998.

Package to Revive Economy

641. SHRI R. SAMBASIVA RAO : Will the Minister of FINANCE be pleased to state:

(a) whether the Government are studying a package to revive economy;

(b) if so, whether the Government have been examining the way to boost Government investment in infrastructure as well as to create a conducive environment for promoting private investment in this sector;

(c) if so, the extent to which the Government have been able to study the package to revive economy; and

(d) if so, to what extent economy has been revived?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (d) The National Agenda for Governance clearly states governments resolve to continue, reappraise and revitalise the reform process. The GDP growth would be raised to 7-8 percent bracket, fiscal and revenue deficits would be controlled. The decision making process would be oriented to give primacy to removal of unemployment and to accelerate development in infrastructure particularly, energy & power.

Money laundering awareness

642. SHRI MUKUL WASNIK : Will the Minister of FINANCE be pleased to state :

(a) the details of the recommendations made by the UN Conference on Money Laundering Awareness for South and South-West Asia; and

(b) the reaction of the Government thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) The recommendations made by the UN Conference on Money Laundering Awareness for South and South-West Asia are given in the Statement enclosed.

(b) These recommendations are under active consideration of the Government and will be kept in view while considering our approach to the proposed Money Laundering legislation.

Statement

*United Nations Conference on Money Laundering Awareness raising for South and South-West Asia
New Delhi 3-5 March 1998*

With representation from : Bangladesh, India, Iran, Maldives, Myanmar, Nepal, Pakistan, Sri Lanka and Thailand

Recommendations

1. State should ratify the United Nations Convention against Illicit Traffic in Narcotic Drugs & Psychotropic Substances, 1988 and take steps to implement its provisions regarding money laundering and the proceeds of crime. In drafting their legislation States should have regard to the standards set out in the 40 recommendations of the Financial Action Task Force; the Council of Europe Convention on Laundering, Search, Seizure & Confiscation of the proceeds of Crime, 1990; the Council of the European Communities Directive of 10 June 1991 on prevention of the use of the Financial system for the purpose of money laundering, and other relevant international instruments.
2. In order to give maximum effect to anti-money laundering measures, States should endeavour to extend the range of predicate offenses (being those which are to be regarded in law as giving rise to the proceeds of crime for the purpose of money laundering legislation) beyond those connected with drug trafficking, to include in their legislation, as wide a range as possible. In this connection, regard may be had to the language of the interpretive Note to FATF recommendation # 4, which speaks of "all offences that generate a significant amount of proceeds."
3. In order to secure the cooperation of the financial sector, and the confidence of the public, in anti money laundering measures, state should be in a