

**GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2622

ANSWERED ON:10.08.2010

TERRORIST FUNDING

Hegde Shri Anant Kumar; Joshi Dr. Murli Manohar

Will the Minister of HOME AFFAIRS be pleased to state:

- (a) whether the terrorists posing threat to the internal security of the country get financial aid from foreign countries;
- (b) if so, the reaction of the Government in this regard;
- (c) whether an international financial action task force set up by G-7 countries has observed in its report that the Indian laws are lax and not sufficient to prevent the flow of such aid; and
- (d) if so, the reaction of the Government thereto and steps taken to prevent the flow of foreign funds for terrorist activities in the country?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI AJAY MAKEN)

(a) & (b): As per available information, militants/terrorists active in India are also funded by their outfits based abroad, particularly in Pakistan, often routed through third countries.

(c) & (d): India has recently become the member of the Financial Action Task Force (FATF).

The Central intelligence/security agencies work in tandem with their counterparts in the States, which has, inter-alia, resulted in the arrest of a number of persons involved in facilitating funds/financing of terrorism. The Unlawful Activities (Prevention) Act, 1967 has been amended in 2008 to reinforce the punitive provisions to combat terrorism, which includes strengthening of provisions for Combating Financing of Terrorism. The Prevention of Money Laundering Act, 2002 has been amended in 2009, to inter-alia, expanded the schedule of offences and certain offences under the Unlawful Activities (Prevention) Act, 1967 have been included as scheduled offences under Prevention of Money Laundering Act. The FIU-IND is also assisting the law enforcement agencies by way of disseminating financial intelligence.

The issue of terror funding has also been taken up with Pakistan at the bilateral fora.