

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2209

ANSWERED ON:12.08.2011

MONEY LAUNDERING

Sampath Shri Anirudhan;Sardinha Shri Francisco;Singh Shri Uma Shanaker

Will the Minister of FINANCE be pleased to state:

- (a) whether money laundering activities are on the rise in the country and the Government has noted the link between money laundering and funding of terrorism;
- (b) if so, the details thereof;
- (c) the measures taken by the Government against money laundering and financing terrorism;
- (d) whether the Government is seeking international co-operation in compacting money laundering; and
- (e) if so, the details thereof;
- (f) whether the Government proposes to amend the Prevention of Money Laundering Act and bring real estate transaction under the proposed amendment; and
- (g) If so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a) & (b): The number of money laundering cases registered by the Directorate of Enforcement under Prevention of Money Laundering Act, 2002 has increased from 1014 cases as on 31.03.2010 to 1269 cases as on 31.03.2011 based on the Scheduled Offences registered and reported by the concerned agencies. Out of 1269 cases registered as on 31.03.2011, there are 11 cases for the Scheduled Offences of the Unlawful Activities (Prevention) Act, 1967, which have been registered by the Directorate of Enforcement to enquire into the possible offence of money laundering.

(c) Government has taken comprehensive steps to combat money laundering and terrorist financing in accordance with international standards and best practices. These steps include amendments in the Prevention of Money Laundering Act, 2002, strengthening the regulatory and law enforcement/intelligence system and improving compliance by the regulated entities. In the National Investigation Agency, a separate specialized cell known as Terror Funding and Fake Currency Cell has been created to investigate cases of terror funding. The sanctioned strength of Enforcement Directorate, which investigates cases of money laundering, has been enhanced substantially.

(d) & (e): Yes, Sir. India is a member of Financial Action Task Force (FATF), Asia/Pacific Group on Money Laundering (APG), The Eurasian group on combating money laundering and financing of terrorism (EAG) and Egmont Group of Financial Intelligence Units. Membership in these organizations facilitates international cooperation in combating money laundering and financing terrorism.

(f) & (g): Yes, Sir. Government is proposing amendments to the Prevention of Money Laundering Act. The proposed amendments are at the draft stage and are yet to be finalized.