GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:720
ANSWERED ON:25.11.2011
MONEY LAUNDERING ACT
Meghwal Shri Arjun Ram

Will the Minister of FINANCE be pleased to state:

(a) the details of loop holes/shortcomings that have come to the notice of the Government in Prevention of Money Laundering Act and Unlawful Activities (Prevention) Act;

(b) whether the Government proposes to make prevention of Money Laundering Act and Unlawful Activities (Prevention) Act more effective to curb black money;

(c) if so, the details thereof;

(d) whether the Government has conducted any study about the legal provisions in other developed countries to strengthen the aforesaid Acts;

(e) if so, the details thereof; and

(f) the progress made for making the aforesaid Acts more effective?

Answer

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

(a): The Mutual Evaluation Report of India prepared and published by Financial Action Task Force(FATF), had made some recommendations in respect of Prevention of Money Laundering Act and Unlawful Activities (Prevention) Act to make the Act more compliant with the international Anti- Money Laundering/Combating of Financing of Terrorism (AML/CFT) standards.

(b)and (c) : Yes, Sir. Government is taking comprehensive steps to combat money laundering and terrorist financing in accordance with international standards and best practices.These steps include bringing about amendments in the Prevention of Money Laundering Act, 2002 and Unlawful Activities (Prevention) Act, strengthening the regulatory and law enforcement/intelligence system and improving compliance by the regulatory entities.

(d): No, Sir. The recommendations of FATF, which is an inter-governmental organization, regarding setting international standards on Anti Money Laundering measures and combating of financing of terrorism, have been considered.

(e): Does not arise.

(f): Amendments to the Prevention of Money Laundering Act is proposed to be introduced in the Parliament shortly.