

**GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA**

STARRED QUESTION NO:326
ANSWERED ON:04.09.2012
TERROR FUNDING
Singh Shri Mahabali

Will the Minister of HOME AFFAIRS be pleased to state:

- (a) whether the Government has taken /proposes to take steps to counter funding of terrorism and to keep a constant vigil over suspicious channels of funding;
- (b) if so, the details thereof;
- (c) whether the Government proposes to amend the Unlawful Activities(Prevention) Act to check fake currency, money laundering and to declare these crimes as terrorist activities in this regard;
- (d) if so, the details thereof; and
- (e) the action plan formulated by the Government to check illegal inflow of funds for terrorist activities?

Answer

MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI JITENDRA SINGH)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.326 FOR 04.09.2012.

(a) & (b): The existing statutory and legal structure provides adequate provisions to deal with funding of terrorism. The primary legal regime for countering terrorist financing is the Unlawful Activities (Prevention) Act, 1967(UAPA) which has adequate provisions to deal with all aspects of financing terrorism. Further, the Government monitors the receipt and utilization of foreign contributions by any 'person' in the Country through the Foreign Contribution

(Regulation) Act 2010 and Foreign Contribution (Regulations) Rules, 2011. Besides the above, Prevention of Money Laundering Act, Indian Penal Code, and the State / Local Laws form the legal structure for regulating the functioning of associations / trusts and for monitoring anti-national activities in the country. To further strengthen the existing enforcement structure, the NIA Act was passed in 2008 and NIA started functioning in 2009 with a specific mandate to deal with all activities criminalized under UAPA including terrorist funding. NIA has created a dedicated cell, Terror Funding and Fake Currency Cell (TFFC) for countering this menace.

The UAPA has been amended in the years 2004 and 2008 to make the provisions regarding terrorist activities and terrorist funding more stringent. A new section 51 A was inserted to establish a mechanism for freezing of accounts of persons and entities engaged in or suspected to be engaged in terrorism.

(c) & (d): The Unlawful Activities (Prevention) Amendment Bill, 2011 has been introduced in the Lok Sabha on 29.12.2011 to further strengthen the UAPA. The proposed amendments include criminalizing the production, smuggling or circulation of high quality counterfeit Indian currency, enlarging the scope of section 17 of the Act relating to punishment for raising funds for terrorist act, clarifying the scope of proceeds of terrorism to include any property intended to be used for terrorism, criminalizing the offence committed by companies, societies or trusts and enhanced punishment thereof.

(e): To address the multi-dimensional aspects of illegal inflow of funds for terrorist activities, several agencies such as the RBI, Ministry of Finance, Ministry of Home Affairs, Security and Intelligence agencies of the Centre and States etc. are working in tandem to have effective check. Further, based on the experience gained and gaps identified, Government continuously upgrades technical, coordination & forensic capabilities of the Central Intelligence and Investigation Agencies to effectively deal with this threat.