

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1156
ANSWERED ON:30.11.2012
ILLEGAL MONEY FLOW
Rathwa Shri Ramsinhbhai Patalbhai

Will the Minister of FINANCE be pleased to state:

- (a) the existing mechanism and action taken by the Government in coordination with State Governments to stop illegal money flow from foreign countries;
- (b) the details of such cases registered during the last three years; and
- (c) whether the Government has any proposal to amend laws to deal with/punish the culprits involved in illegal money transfer in a more stringent manner?

Answer

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

(a) & (b) : The Directorate of Enforcement has not registered any case relating to illegal money flow from Foreign Countries in coordination with State Government. However, during the last three years, i.e., 2009-10, 2010-11 & 2011-12, Directorate of Enforcement, in pursuance to its own investigations has issued Show Cause Notices under Foreign Exchange Management Act, 1999(FEMA) in 220 cases relating to illegal transfer of funds into India through unauthorized channels.

(c): The existing provisions of FEMA are considered to-be adequate and appropriate on the quantum of penalty/punishment.