

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:724
ANSWERED ON:01.03.2013
MONEY LAUNDERING
Ponnam Shri Prabhakar

Will the Minister of FINANCE be pleased to state:

- (a) whether there is a mechanism in place to monitor money coming from abroad;
- (b) if so, the details thereof;
- (c) the details of cases of money laundering detected during the last three years and the current year till date;
- (d) the action taken/being taken by the Government thereon; and
- (e) the steps taken/proposed to be taken by the Government to prevent recurrence of such transactions in future?

Answer

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

(a) & (b) Yes, Madam. Money coming into India from foreign countries routed through Authorised Persons (APs) are monitored by the Reserve Bank of India in terms of provisions of FEMA, 1999. Further money coming into India as FDI and export proceeds which are received through banking channel are also monitored by RBI to examine the bonafide of the trade transactions.

The Government also monitors the receipt and utilization of Foreign contributions by any person in the country through the Foreign Contribution (Regulation) Act, 2010 and Foreign Contribution (Regulation) Rules, 2011 framed under the Act. The Directorate of Enforcement has been vested with powers of search, seizure and is authorised to investigate into FEMA violations.

Under Prevention of Money Laundering Act, Financial Intelligence Unit-India receives Suspicious Transaction Reports (STRs) from reporting entities including banks, financial institutions and intermediaries of securities market that are under obligation to file Suspicious Transaction Reports. After analysis of STRs, if found necessary, the information is disseminated to the appropriate law enforcement agencies for further investigation. With effect from 1st June, 2009, the obligation to file STRs has been extended to new category of reporting entities such as payment system operators and authorised persons which include Money Transfer Service Providers, Authorised Money Changers, etc.

(c) to (e) The relevant details of cases detected and action taken by the Government are as under :-

Year	No. of cases registered	No. of provisional Attachment Orders issued	No. of properties attached (in Rs. in lakhs)	Value of attached filed	No. of persons arrested	No. of prosecution complaints
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2010	405	35	53553.44	2	8	
2011	173	43	11822.15	3	20	
2012	194	45	198383.90	3	4	
2013	12	8	15650	1	1	

(till 31.1.2013)