

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3316

ANSWERED ON:30.08.2013

ONLINE MONITORING OF EVASION OF TAXES

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Chitthan Shri N.S.V.;Gaikwad Shri Eknath Mahadeo;Paranjpe Shri Anand Prakash

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has set up/proposes to set up an online monitoring system to detect suspicious transactions and if so, the details thereof;

(b) the details of evasion of direct and indirect taxes detected thereupon so far along with amount recovered there from, year-wise; and

(c) the other steps taken/proposed to be taken by the Government for better coordination among revenue intelligence agencies to trace movement of illegal funds?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI J.D. SEELAM)

(a): Under the provisions of the Prevention of Money Laundering Act, 2002 and the rules framed thereunder, it is the responsibility of the banks and other financial institutions to detect suspicious transactions and report such transactions to the Financial Intelligence Unit-India (FIU-IND) under the Ministry of Finance. FIU-IND is responsible for receiving and analysing such Suspicious Transaction Reports (STRs) and disseminating information to relevant intelligence and law enforcement agencies.

FIU-IND has established an information technology based mechanism for online filing of Suspicious Transactions Reports (STRs) and other statutory reports and for online dissemination of the information to the intelligence and law enforcement agencies.

(b): The STRs received by FIU-IND from the banks and other financial institutions are disseminated by it to various intelligence and law enforcement agencies including agencies administering direct and indirect taxes for taking further action. However, information disseminated by FIU-IND may or may not lead to detection of evasion of direct and indirect taxes. Moreover, separate data with regard to evasion of direct and indirect taxes detected by various enforcement agencies on the basis of information shared by FIU-IND is not maintained.

(c): Through the mechanism of Economic Intelligence Council and Regional Economic Intelligence Councils, various law enforcement agencies share information and coordinate action relating to various economic offences, including tax evasion.

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