

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:859

ANSWERED ON:24.07.2015

Violations under FEMA Laws

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**Will the Minister of FINANCE be pleased to state:**

- (a) the number of cases of violations of Foreign Exchange Management Act (FEMA) registered during the last three years and the current year;
- (b) whether the Enforcement Directorate/Department of Revenue Intelligence (DRI) Income Tax (IT) Department has started investigation and registered cases against officials and former officials of sports bodies including IPL with regard to money laundering and violation of FEMA act;
- (c) the action taken thereon against the offenders;
- (d) whether the Government proposes to amend some acts/rules to enable Enforcement Directorate to apprehend the FEMA and other offenders living abroad; and
- (e) if so, the details thereof and the time by which the relevant amendments are likely to be done?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI JAYANT SINHA)

(a) : The number of cases of violations of Foreign Exchange Management Act (FEMA) registered during the last three years and the current year is as under :

2012-13	2013-14	2014-15	2015-16 (till date)
No. of Cases	1622	1041	915 236

(b) & (c) : The Enforcement Directorate has issued 21 Show Cause Notices (SCNs) under Foreign Exchange Management Act (FEMA), 1999 against officials/ex-officials of sports bodies (04 SCNs pertain to Commonwealth Games and 17 SCNs pertain to IPL). Further, one case has also been registered against former official of IPL under Prevention of Money-laundering Act, 2002.

Similarly, Income Tax Department has also taken appropriate action under direct taxes laws against relevant persons in connection with IPL. However, disclosure of information regarding specific taxpayers is prohibited except as provided under section 138 of the Income-tax Act, 1961.

However, no investigation under FEMA or money laundering has been undertaken by Directorate of Revenue Intelligence in respect of officials and former officials of sports bodies including IPL.

(d) & (e) : The Foreign Exchange Management Act, 1999 (FEMA) has been amended vide Finance Act, 2015 to the effect that if any foreign exchange, foreign security or any immovable property situated outside India is held in contravention of the provisions of this Act, then action may be taken for seizure and eventual confiscation of assets of equivalent value situated in India. These contraventions are also being made liable for levy of penalty and prosecution with punishment of imprisonment up to five years.

Similarly, Prevention of Money-laundering Act, 2002 was also amended to provide that where property involved in money laundering is taken or held outside the country, then the value equivalent to such property held within the country is liable for attachment.

Further the offence under Section 51 of the Black Money (Undisclosed Foreign Income And Assets) and Imposition of Tax Act, 2015 has been included in Part 'C' of the schedule appended to PMLA.

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