

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO. 1836

ANSWERED ON TUESDAY, 19th December, 2023/ **Agrahayana 28, 1945 (Saka)**

Issue of large-scale ponzi scams

1836. Shri Sujeet Kumar:

Will the Minister of FINANCE be pleased to state:

- (a) Whether Government is aware of the proliferation of Ponzi apps and their unfettered promotion by financial influencers on social media platforms;
- (b) if so, the details of the action plan devised by Government to regulate these applications; and
- (c) if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (c): To control fraudulent loan apps and unregulated deposit taking, following steps have been taken:

- The Banning of Unregulated Deposit Schemes Act, 2019 has been enacted by the Central Government. The Act contains comprehensive provisions to prohibit promotion, operating, issuance of advertisements or accepting deposits in any Unregulated Deposit Scheme.
- Through Reserve Bank of India (RBI)'s online portal SACHET, the public is cautioned against fraudulent schemes/ entities. From the portal, members of the public can obtain information regarding entities that are allowed to accept deposits, whether the entity is registered with any regulator, lodge complaints and also share information regarding financial frauds and illegal acceptance of deposits by unscrupulous entities.
- Regarding digital lending apps, RBI based on the recommendations of the Working Group constituted on digital lending, laid down regulatory guideline on digital lending. This aims at firming up the regulatory framework for digital lending while enhancing customer protection and making digital lending ecosystem safe and sound.
- Indian Cybercrime Coordination Centre (I4C), Ministry of Home Affairs (MHA) analyses the digital lending apps proactively. Based on its analysis and complaints reported on the National Cybercrime Reporting Portal, I4C team analyzes Apps on various parameters, and report such Apps to Ministry of Electronics and Information Technology (MeitY) for blocking which are found suspicious.

Further to create awareness against fraudulent apps following measures have been taken:

- RBI conducts electronic-banking awareness and training (e-BAAT) which focuses on awareness about frauds and risk mitigation.
- RBI conducts Financial Literacy Week (FLW) and Banks are advised to conduct special camps through Financial Literacy Centres (FLCs) and rural branches.
- Dissemination of messages on cyber-crime through short message service (SMS), radio campaigns, publicity on prevention of cyber-crime and cyber safety tips through social media accounts of the I4C.
