

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
RAJYA SABHA UNSTARRED QUESTION NO. 228
TO BE ANSWERED ON 05.12.2023

Cyber crimes

228 Shri B. Lingaiah Yadav:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that cryptocurrencies (crypto), drug mafias, tax havens and cyber intrusions posed major threats to the global financial ecosystem and a global collaborative effort is needed to counter such challenges in our country also and if so, the details thereof/steps being taken; and

(b) whether Government should be well seized of the threats which are conventional warfare or border threats and other threats such as cyber threats, crypto threats and if so, the details thereof/action plan prepared to tackle such issues till now/implemented/results yielded?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): Drug mafias and cyber intrusions are inherently illegal and pose a threat to regulated financial systems. Crypto assets are by definition borderless and require international collaboration to prevent regulatory arbitrage. Therefore, on crypto assets, the government through the Indian G20 Presidency and International Organisations (IOs), such as the Financial Stability Board (FSB) and the Financial Action Task Force (FATF), has worked to create mechanisms of international cooperation, standards setting, and information sharing.

(b): Yes Sir, the Government should be well seized of the threats which are conventional warfare or border threats and other threats such as cyber threats, and crypto threats. Details of some illustrative steps taken in this regard are at annexure.

Some illustrative steps taken to address crimes involving drugs, tax, cyber, and crypto assets:

Cyber crime related initiatives: To strengthen the mechanism to deal with cyber crimes in a comprehensive and coordinated manner, the Central Government has taken steps for spreading awareness about cyber crimes: issuance of alerts/ advisories; capacity building/ training of law enforcement personnel/ prosecutors/judicial officers; improving cyber forensic facilities, etc. The Government has established the Indian Cyber Crime Coordination Centre (I4C) to provide a framework and eco-system for LEAs to deal with cyber crimes in a comprehensive and coordinated manner. The Government has launched the National Cyber Crime Reporting Portal (<https://cybercrime.gov.in>) to enable the public to report all types of cyber crimes, with special focus on cyber crimes against women and children. Cyber crime incidents reported on this portal are routed automatically to the respective State/UT law enforcement agency for further handling as per the provisions of law. The 'Citizen Financial Cyber Fraud Reporting and Management System' has been launched for immediate reporting of financial frauds and to stop siphoning off fund by the fraudsters. A toll-free Helpline number '1930' has been operationalized to get assistance in lodging online cyber complaints.

The Ministry of Home Affairs has taken many steps to spread awareness on cyber crime that inter-alia include; issuance of alerts/ advisories, dissemination of messages through SMS, I4C social media account i.e. Twitter handle (@Cyberdost), Facebook(CyberDostI4C), Instagram(CyberdostI4C), Telegram (Cyberdosti4c), Radio Campaign, engaged MyGov for publicity in multiple media, publishing of Handbook for Adolescents/Students, organizing of Cyber Safety and Security Awareness week in association with police department in different States/UTs etc. The Ministry of Home Affairs has issued advisory to all the State/UT Governments to carry out publicity of National Cyber Crime Reporting Portal (<http://cybercrime.gov.in>) and Toll-free helpline number '1930' to create mass awareness.

Crypto and money laundering related initiatives: The Government vide notification dated 07.03.2023 has brought Virtual Digital Assets (VDAs) under the purview of the Prevention and Money-laundering Act, 2002 (PMLA) to bring the transactions involving VDAs within the ambit of PMLA. The Directorate of Enforcement (ED) has taken vigilant steps in tackling the threat of money laundering through Cyber Crime and Crypto assets related cases. Investigation by the Directorate of Enforcement in these cases revealed involvement of a few crypto exchanges in the offence of money laundering. Necessary action as per provisions of Prevention of Money Laundering Act, 2002 (PMLA) has been taken by ED. As on 30.11.2023, Proceeds of Crime (PoC)

amounting to Rs.1457.22 crores (approx.) have been attached/seized/frozen and 25 persons have been arrested. Further, 20 Prosecution Complaints (PCs) including 04 supplementary PCs have been filed before the Special Court, PMLA in these cases.

Furthermore, under Foreign Exchange Management Act, 1999 (FEMA) assets amounting to Rs. 270.18 crores have been seized under section 37A of FEMA and 01 Show Cause Notice to cryptocurrency exchange Zangmai Labs Pvt Ltd, known as WazirX, and its Directors under FEMA for transactions involving cryptocurrencies worth ₹2,790.74 crore has also been issued.

Initiatives on money laundering cases related to Narcotic Drugs and Psychotropic Substances (NDPS) & drug mafias: As on 30.11.2023, in NDPS related cases, PoC amounting to Rs 4378.44 crore have been identified in these cases, out of which, PoC amounting to Rs 1267.15 crores have been attached by issuing 66 Provisional Attachment Orders. Further, 12 persons have been arrested and a total of 45 PCs including 10 Supplementary PCs have been filed. In these cases, as on date, Conviction has been secured in 5 cases wherein 10 persons including one entity have been convicted. Further, 03 accused have been declared as Fugitive Economic Offender under the Fugitive Economic Offenders Act, 2018 and 06 persons have been declared as Proclaimed Offender by the Special Court.

Initiatives related to Tax crime cases wherein assets stashed abroad in tax havens: In these cases, PoC amounting to Rs. 22,025 crore have been identified, out of which PoC amounting to Rs. 2673.47 crore stands attached. Further, 05 persons have been arrested and 11 PCs including 03 Supplementary PCs have been filed in these cases.
