

**GOVERNMENT OF INDIA
MINISTRY OF HOME AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 1504**

TO BE ANSWERED ON THE 12TH MARCH, 2025/ PHALGUNA 21, 1946 (SAKA)

4TH 'NO MONEY FOR TERROR' CONFERENCE IN MUNICH

1504 DR. PARMAR JASHVANTSINH SALAMSINH:

Will the Minister of HOME AFFAIRS be pleased to state:

- (a) India's key contributions and interventions at the 4th No Money for Terror (NMFT) Conference held in Munich, Germany;**
- (b) the steps being taken by Government to address the issue of cross-border terror financing, especially in light of the increasing complexity due to digital financial channels;**
- (c) the regulatory and technological measures considered by Government to combat the threat of digital technologies being used for terror financing;**
- (d) the manner in which India's participation in NMFT Conferences has influenced domestic policies on countering terror financing; and**
- (e) whether there are any policy changes under consideration following the Munich Conference, if so, the details thereof?**

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS
(SHRI NITYANAND RAI)**

(a) & (b) During the 4th NMFT Conference India advocated that unity amongst nations is essential in the fight against Terrorism and India stands steadfast with the global community in this fight.

India raised concerns that Terror financing increasingly has cross border linkages in terms of flow of funds and due to the development of new digital technologies; the sources, methods and channels used for flow of assets by terrorists are becoming increasingly more complex, and pose a significant challenge to global security.

In order to meet the challenges of terror funding, the Government has strengthened the intelligence set up to collect, collate and disseminate information on real time basis, the legal regime has been strengthened by amending the Unlawful Activities (Prevention) Act, 1967 and the Prevention of Money Laundering Act, 2002, and a Terror Funding and Fake Currency (TFFC) Cell and three new verticals related to Cyber Terrorism, Explosive and Prohibited Arms and Human Trafficking have been created in NIA to conduct focused investigation of terror funding and fake currency cases. A Fake Indian Currency Note Co-ordination Centre (FCORD) has been formed by the Ministry of Home Affairs to share intelligence inputs and information amongst the different security agencies of the Centre and States to curb the circulation of Counterfeit currencies in the country.

(c) & (d) The regulatory aspects for the Financial Ecosystem are being looked after by Reserve Bank of India.

The Prevention of Money Laundering (Maintenance of Records) Rules, 2005 empowers the Director, Financial Intelligence Unit- India (FIU-IND) to issue guidelines in consultation with the concerned regulator for detecting and reporting suspicious transactions to FIU-IND. Accordingly, guidelines have been developed for effective detection and reporting of suspicious transactions. Red flag indicators for various sectors of the financial eco system along with principles for implementation for generation of alerts are also being issued from time to time by FIU-IND.

The Amendments in UAPA and NIA Act, 2019, relating to assets seizure, attachment and forfeiture have been instrumental in further strengthening the countering of terror financing.

To adopt targeted and continuous engagement with Reporting Entities (REs) and Law Enforcement Agencies (LEAs), FIU-IND has taken the initiative of forming a Permanent Working Group on Terror Financing Identification. This includes diverse stakeholders like representatives of existing REs, domain experts from LEAs, experts from social media platforms, instant messaging platforms, crowd funding platforms etc.,

Department of Revenue, in order to address the Money Laundering (ML) and Terror Financing (TF) risks arising from Virtual Digital Assets (Cryptocurrencies), brought the Virtual Digital Asset Service Providers (VDA SPs) under the ambit of PMLA 2002. The VDA SPs are mandated to fulfil Anti Money Laundering/ Combating the Financing of Terrorism/ Counter Proliferation Financing (AML/CFT/CPF) obligations as cast on Reporting Entities (REs) under the Prevention of Money Laundering (PML) Act 2002 and PML Rules 2005. This inter alia includes periodic risk assessment of customers, Know Your Customer (KYC), Client Due Diligence (CDD), Enhanced Due Diligence (EDD), Sanctions Screening, Transaction Monitoring and reporting thereof.

National Intelligence Grid (NATGRID), has also been created as an IT platform to assist the intelligence and law enforcement agencies.

India is participating in NMFT Conferences since 2018. Over the years, our understanding on Combating the Financing of Terrorism issues has significantly improved. Enhanced coordination among agencies has led to improve Intelligence generation, which has supplemented law enforcement efforts and enabled targeted preventive measures by regulators and Supervisors.

(e) No such policy changes are under consideration.
