

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

LOK SABHA  
UNSTARRED QUESTION NO. 1258

TO BE ANSWERED ON FRIDAY, THE 22<sup>ND</sup> DECEMBER, 2017  
PAUSHA 01, 1939 (SAKA)

Money Transfers to Terror Groups

1258. SHRI B. SENGUTTUVAN :

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken any steps to identify the sources and the routes of money transfers to the Pakistan based terror groups and their affiliates and if so, the details thereof;
- (b) whether the Government has initiated any action on the basis of such Information to strangulate money flow to the said terror groups and if so, the details thereof;
- (c) whether the Government is aware that Financial Action Task Force (FATF) has put Pakistani authorities on notice that it has to demonstrate that it has arrested fund flow to the banned terror groups and its affiliates and if so, the details thereof; and
- (d) whether the action by the FATF is likely to stifle the flow of money to the terror groups as well as their affiliates thereby forcing them to stop the prejudicial activities and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI SHIV PRATAP SHUKLA)

(a) & (b) National Investigating Agency is presently investigating six cases pertaining to funding of terrorist groups in India by extremist elements based in Pakistan. These funds are mainly routed through Hawala, Fake Indian Currency Note, regular banking channels and through under-invoicing of goods in Line of Control (LoC) trade. All such channels are regularly monitored and blocked by agencies. Besides, Directorate of Enforcement has initiated investigations under Prevention of Money-laundering Act (PMLA), 2002 and Foreign Exchange Management Act (FEMA), 1999 in certain cases relating to suspect funding to terror groups. Disclosure of details of such cases at this stage may not be in public interest as the same may hamper the on-going investigations.

(c) Yes, Madam. At the Financial Action Task Force (FATF) Plenary held in October, 2017, India succeeded in raising the issue of Pakistan's support for terror groups. FATF instructed Pakistan to ensure compliance of all United Nations Security Council Resolution (UNSCR) regarding Lashkar-e-Taiba (LeT), Jammah-ul-Dawa (JuD), and Falahe-e-Insaniat, front organization of JuD.

(d) FATF, being an international intergovernmental body, is prima-facie concerned with implementation of international standards on Anti Money Laundering and Countering the Financing of Terrorism. The FATF monitors the progress of its members in implementing necessary measures, reviews money laundering and terrorist financing techniques and counter-measures, and promotes the adoption and implementation of appropriate measures globally. Compliance of Pakistan is yet to be seen.