

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

LOK SABHA  
UNSTARRED QUESTION NO. 6517

TO BE ANSWERED ON FRIDAY, THE 06<sup>TH</sup> APRIL, 2018  
Chaitra 16, 1940(Saka)

**Mandate for Financial Intelligence Unit-India**

**6517. SHRI NALIN KUMAR KATEEL:**

Will the Minister of FINANCE be pleased to state:

(a) whether the Financial Intelligence Unit-India (FIU-IND) is mandated to collect, analyse and disseminate financial intelligence, inter-alia on terrorist financing and money laundering;

(b) if so, the details thereof;

(c) the measure terrorist funding and money laundering cases reported to the Government by FIU-IND;

(d) whether the Government has taken any stringent measures against those who indulged into such cases; and

(e) if so, the details thereof?

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

(a) to (c) Yes Madam, the Financial Intelligence Unit-India (FIU-IND) is mandated to collect, analyse and disseminate financial intelligence, inter-alia, on terrorist financing and money laundering. FIU-India obtains certain threshold based reports and **Suspicious Transactions Reports (STRs)** from various reporting entities as prescribed under Prevention of Money Laundering Rules. After analysis of these STRs and linking the additional information available in FIU India database, FIU India disseminates these to the concerned law enforcement agencies (LEAs) for further investigations.

FIU-IND disseminates intelligence and it is only after further examination and investigation of the intelligence by the concerned LEAs can it be ascertained whether the intelligence pertain to tax evasion, money laundering and terrorist financing.

The number of STRs analysed and disseminated to various LEAs for further investigations during last three years are as hereunder:

2015-16	2016-17	2017-18 till 31.03.2018
53819	58223	65829



(d) & (e) Appropriate action against terrorist funding and money laundering cases is an ongoing process. The number of investigations initiated under FEMA, 1999 in financial years 2015-16, 2016-17 & 2017-18 are 1516, 1993 & 3369 respectively and under PMLA, 2002 are 111, 200 & 118 respectively during those periods. Further, the Government from time to time also formulates/makes new provisions in the law to prevent commission/ recurrence of such offences and to apprehend offenders. Following amendments have been made in the past three years in the relevant laws to this effect:-

**(1) . Foreign Exchange Management Act, 1999 (FEMA):**

(i) Amendments in FEMA have been made through section 2(gg), 13 A & 37 A empowering the Authorized Officer to seize value equivalent, situated within India, of such foreign exchange, foreign security or immovable property situated outside India for its ultimate confiscation under section 13(1A).

(ii) Section 14A(1) and 14A(2) have been inserted in FEMA, 1999 in the year 2016 empowering Enforcement Directorate to recover arrears of penalty at par with Income Tax Act, 1961.

**(2) . Prevention of Money Laundering Act, 2002 (PMLA):**

(i) Where property/proceeds of crime is taken or held outside the country, Section 2(1)(u) of PMLA has been amended through the Finance Act, 2015 enabling attachment and confiscation of property equivalent in value held within the country.

(ii) The offence of wilful attempt to evade any tax, penalty or interest in relation to undisclosed foreign income and assets [referred to in section 51 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015] has been made a Scheduled Offence under Prevention of Money-laundering Act, 2002 (PMLA).

**(3). Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015:** This Act has been recently enacted to effectively tackle the issue of black money stashed abroad. The new law provides for separate taxation besides penalties of undisclosed foreign income and assets.