

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. †6534

TO BE ANSWERED ON THE 6TH APRIL 2018/CHAITRA 16, 1940(SAKA)

Law to Check Banking Scams

†6534. SHRI PANKAJ CHAUDHARY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is likely to formulate any effective law to check scams in nationalized banks;
- (b) if so, the details thereof;
- (c) whether the Reserve Bank of India (RBI) has instructed the banks to bring changes as per its new guidelines to strengthen their monitoring mechanism; and
- (d) if so, whether the Government is likely to take strict action against the banks not complying with the guidelines of the RBI?

ANSWER

The Minister of State in the Ministry of Finance
(SHRISHIV PRATAP SHUKLA)

(a) and (b): In order to deter economic offenders from evading the process of Indian law by remaining outside the jurisdiction of Indian courts, Government has introduced the Fugitive Economic Offenders Bill, 2018 in Parliament. The bill provides for attachment of property of a fugitive economic offender, confiscation of such offender's property and disentitlement of the offender from defending any civil claim.

(c): RBI has apprised that it had issued instructions to banks from time-to-time on a variety of issues of prudential supervisory concern, including the management of operational risks inherent in the functioning of banks. Further, RBI has issued a circular dated February 20, 2018 to banks, prescribing operational controls and measures strengthening the SWIFT operating environment and has also specified the timelines for compliance for each control.

(d): RBI has informed that banks have been advised that non-compliance or non-sustenance of compliance to RBI's instructions would entail appropriate supervisory and enforcement action.
