

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 582
TO BE ANSWERED ON: 03.12.2025

CRACKDOWN ON FINTECH APPS

582. ADV DEAN KURIAKOSE:
SHRI K C VENUGOPAL:

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Government has formulated guidelines to crackdown on the growing number of FinTech apps being used for money laundering and other such illegal activities;
- (b) if so, the details thereof;
- (c) the details of online frauds committed along with the extent of financial losses, State-wise; and
- (d) the measures undertaken by the Government to prevent such online frauds from taking place?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI JITIN PRASADA)

(a) to (d): The Government constantly engages with the Reserve Bank of India (RBI), sectoral Regulators and other relevant stakeholders with the objective of preventing the misuse of digital platforms to ensure a secure digital ecosystem.

It also includes FinTech applications that may be misused for money laundering, online frauds and other unlawful activities.

Regulatory and Legal Framework to counter online frauds

Information Technology Act, 2000

- Penalties/punishments for cyber offences such as identity theft (Section 66C), cheating by personation using computer resources (Section 66D), tampering with computer source documents (Section 65), and unauthorised access to protected systems (Section 70(3))
- **Section 69A of the IT Act, 2000** empowers blocking orders in the interest of public order and national security. Blocking directions have been issued to block illegal digital lending applications

Bharatiya Nyaya Sanhita (BNS), 2023

- Strengthens the legal framework to address fraud, forgery and cyber-enabled offences, including those committed through FinTech platforms
- Section 319(2) provides punishment of up to five years' imprisonment for cheating by personation

- Sections 318 and 336 may also be invoked in cases of financial cyber-fraud, fabrication of digital records, or deception through electronic means
- Section 111 penalises continuing unlawful activities, including organised cyber-crime syndicates, with a minimum of five years' imprisonment (non-bailable), extendable to life imprisonment, and fine

Prevention of Money Laundering Act (PMLA), 2002

- Statutory framework for identifying, tracing and prosecuting the laundering of proceeds of crime
- Enforcement Directorate (ED) is designated authority responsible for investigating cases involving suspected illicit proceeds of crime
- Takes action where such proceeds are generated or channelled through any medium, including digital platforms and FinTech ecosystems

Measures undertaken to prevent online frauds

- Indian Cyber Crime Coordination Centre (I4C) established to address cybercrimes in a coordinated manner.
- National Cybercrime Reporting Portal (NCRP) enables citizens to report cybercrime complaints
- Citizen Financial Cyber Fraud Reporting System (Helpline 1930) launched to prevent fund diversion
 - Financial amount of more than Rs. 5,489 Crore has been saved in more than 17.82 lakh complaints so far
 - Toll-free Helpline number '1930' operationalized to get assistance in lodging online cyber complaints
- Cyber Fraud Mitigation Centre (CFMC) enables real-time coordination between banks, intermediaries, telecom entities and LEAs.
- Samanvaya Platform established as a platform and data repository for LEAs for cybercrime data sharing and analytics
- CyTrain Massive Open Online Courses platform launched for capacity-building of police and judicial officers.
- Digital Intelligence Platform (DIP) and 'Chakshu' facility launched by DoT to report suspicious communication linked to cyber fraud.

'Police' and 'Public Order' are State subjects as per the Seventh Schedule of the Constitution of India. The States/UTs are primarily responsible for the prevention, detection, investigation and prosecution of crimes including online fraud through their Law Enforcement Agencies (LEAs).

The Central Government supplements the initiatives of the States/UTs through advisories and financial assistance under various schemes for capacity building of their LEAs.

The National Crime Records Bureau (NCRB) compiles and publishes the statistical data from states on crimes in its publication "Crime in India". The latest published report can be accessed from <https://www.ncrb.gov.in/>
