

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1976
ANSWERED ON:15.03.2002
SET OF CODES TO CURB MONEY LAUNDERING
CHANDRA BHUSHAN SINGH

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India is considering to lay a set of codes to curb money laundering;
- (b) if so, whether the Reserve Bank of India has submitted any report in this regard;
- (c) if so, whether the Government has any plans to set up a separate agency to curb money laundering; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

- (a) The Reserve Bank of India is in the process of issuing guidelines to banks setting out the policy and procedures required to be introduced by banks, including renewed emphasis on the importance of 'Know Your customer' procedures to prevent misuse of the banking system for money laundering.
- (b) RBI is examining the status of India's compliance with international standards on anti money laundering and a report on the same is being finalized in consultation with Government.
- (c) & (d) There is no plan to set up such agency unless the Prevention of Money Laundering Bill, 1999 is enacted. The Bill is presently pending in the Rajya Sabha.