

Title: Introduction of the Prevention of Money Laundering Bill, 1999.(Motion adopted)

11.09 hrs.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): On behalf of Shri Yashwant Sinha, I beg to move for leave to introduce a Bill to prevent money-laundering and to provide for confiscation of property derived from, or involved in, money-laundering and for matters connected therewith or incidental thereto.

MR. SPEAKER: Motion moved:

"That leave be granted to introduce a Bill to prevent money-laundering and to provide for confiscation of property derived from, or involved in, money-laundering and for matters connected therewith or incidental thereto."

SHRI RUPCHAND PAL (HOOGHLY): Sir, I want to oppose the introduction of this Bill on two grounds.

Firstly, we have seen in the earlier FERA, how the violation of FERA on several occasions, had brought, had caused immense loss to the national exchequer and how the national resources had been made to be siphoned off from this country and were put in foreign banks. Now, the old FERA, as a part of the liberalisation process, is being put into two separate Acts; one is called the FEMA and the other is called the Prevention of Money-laundering Bill.

I am referring to one aspect of it which is, in fact, anti-national, that is, the FERA offenders who had violated the FERA are being allowed to go scot-free by way of a provision of this particular Bill which is proposed to be enacted. (Interruptions)

Secondly, the most remarkable grey area in the matter of money-laundering is the manipulation of the balance-sheet which is found there as a part of the liberalisation process. This Bill tries to just allow known offenders, known criminals being allowed to be freed from the accusation that had already been made against them. The people who are still indulging in manipulation of the balance-sheet and money-laundering are also being allowed to go scot-free by way of this piece of legislation as proposed. So, I oppose its introduction because it is against the national interest and against the interest of the national economy.

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Extraordinary Part II-Section 2 dated 29.10.99

MR. SPEAKER: Mr. Minister, is there any reply?

SHRI V. DHANANJAYA KUMAR: In fact, at this stage of introduction of the Bill, only the legislative competence of this House can be discussed. I am sure my senior colleague Shri Rupchand Pal has no doubt in his mind or nobody in this House has any doubt about the competence of this House in legislating an enactment on this subject.

Even, then, Sir, I would like to bring it to the notice of my hon. friend that such a Bill was introduced in the year 1998 itself on the 4th of August, 1998 and on your direction the Bill was referred to the Standing Committee. The Standing Committee has made a thorough examination of the provisions of the Bill. They have made certain suggestions and the Government has been graceful enough to accept all the suggestions in the larger interests of the economy of this country.

In fact, I would like to tell the hon. Members that the Government has even tried to improve upon the suggestions made by the Standing Committee.

So, Sir, I am seeking the leave of the House to move the Bill and once the Bill is allowed to be introduced, it will become the property of the House. Then, all the Members would get an opportunity to have their say on the Bill. So, I may be permitted to move for leave to introduce the Bill.

MR. SPEAKER: The question is:

"That leave be granted to introduce a Bill to prevent money-laundering and to provide for confiscation of property derived from, or involved in, money-laundering and for matters connected therewith or incidental thereto."

The motion was adopted.

SHRI V. DHANANJAYA KUMAR: I introduce** the Bill.

** Introduced with the recommendation of the President.

MR. SPEAKER: I will allow all of you. My only appeal to the hon. Members is that today is the last day and we have a very important business. All the senior leaders want to participate in the debate on the Motion of Thanks on the President's Address. Today, I will

allow three or four Members in the Zero Hour. Then, we will take up Matters under Rule 377. Afterwards, we will start the Motion on the President's Address.

... (Interruptions)

SHRIBASU DEB ACHARIA (BANKURA): The employees of the LIC and GIC are on strike. (Interruptions).

MR. SPEAKER: Shri Raghuvansh Prasad Singh, has given a privilege motion.

... (Interruptions)

MR. SPEAKER: I will allow one of the Members from Orissa also.

... (Interruptions)