

Progress of KYC programme

169. SHRI R.C. SINGH : Will the Minister of FINANCE be pleased to state:

- (a) the progress of on going exercise by banks to collect information under 'Know Your Customer' (KYC) programme;
- (b) whether any suspicious accounts found during the above programme;
- (c) if so, the details thereof, State-wise; and
- (d) what action the Ministry and the banks have taken on such accounts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) to (d) In order to prevent banks from being used, intentionally or unintentionally, by criminal elements for money laundering activities, Reserve Bank of India (RBI) had advised the banks to frame their Know Your Customer (KYC) policies as per guidelines on 'Know Your Customer Guidelines - Anti Money Laundering Standards' issued by RBI. This circular has been revised from time to time and consolidated in the form of Master Circular. In terms of these circulars of RBI, banks are required to pay special attention to all complex, unusually large transactions and all unusual patterns which | have no apparent economic or visible lawful purpose. Detailed instructions have been issued to banks vide RBI circular dated September 17, 2009 indicating their obligations for implementation of the Unlawful Activities (Prevention) Act, 1967. As reported by RBI, several bank accounts have been frozen by Ministry of Home Affairs under the provisions of Unlawful Activities (Prevention) Act, 1967.

Financial Intelligence Unit- India (FIU-IND) has been set-up to receive information relating to certain type of transactions including suspicious transactions from financial sector, analyze received information and disseminate information in appropriate cases to relevant intelligence/law enforcement agencies. Banks are also required to report information relating to cash and suspicious transactions to Director, FIU-IND. As Suspicious Transaction Report may be made in respect of more than one account which may be located in different branches across states, within the available data, it is not possible to give state-wise break-up of account. Out of the 939 Suspicious Transaction Reports (STRs) based on the factor of 'identity of client', 330 STRs were disseminated to various law enforcement/ intelligence agencies.

Setting up Sovereign Trust Fund

170. SHRI SYED AZEEZ PASHA: Will the Minister of FINANCE be pleased to state: