

**SPEECH BY THE PRESIDENT OF INDIA, SHRI PRANAB
MUKHERJEE AT THE ENFORCEMENT DAY FUNCTION
ORGANIZED BY ENFORCEMENT DIRECTORATE ON THE
OCCASION OF ITS FOUNDATION DAY**

Vigyan Bhavan, New Delhi: 01-05-2014

1. I am happy to be here today on the occasion of the Enforcement Day. To celebrate Foundation Day is significant as it gives an opportunity to pause and reflect where we began, where we are and what is our future action plan.
2. I take this opportunity of welcoming Mr. Vladimir Nechaev of the Russia Federation, President of the Financial Action Task Force (FATF), and Mr. Mario Michel Affentranger, of the Federal Office of Justice, Swiss Confederation. The presence of Mr. Nechaev also highlights India's role in the FATF. I take this opportunity to recall that as the then Finance Minister, I had approved the Action Plan that India submitted to FATF, which then led to India becoming a member of this inter-governmental organization. I also had the privilege of introducing in Parliament the Amendment Bill 2011 of the Prevention of Money Laundering Act (PMLA), through which, our nation strengthened the money laundering legislation, in line with the Recommendations of FATF. Mr. Affentranger's presence underlines the growing bilateral relations between Switzerland and India and also the partnership between the counterpart agencies. Money laundering is a global

menace, and law enforcement agencies all over the world have to cooperate to fight it.

Ladies and Gentlemen:

3. The cornerstone of any democracy is the respect for law and order in that country, including compliance to the economic laws. It is essential for economic activities to be in accordance with the legal framework and national priorities. The Enforcement Directorate has played a historical role in orderly development and maintenance of the foreign exchange market. Earlier we had the Foreign Exchange Regulation Act, then the word regulation was replaced by management. Today, there is no longer FERA but FEMA. The Directorate should continue to ensure that the external trade is facilitated, and investment environment is stimulated by sifting the genuine foreign exchange transactions from those which are fraudulent and undesirable.

4. Effective measures against Money Laundering and Terror Financing are essential in today's global economic and security environment, and these are rightly being addressed on priority by most of the countries. Such measures also foster a more business friendly setting and facilitate legitimate investments and financial flows. India too has put in place a strong Anti Money Laundering legislation, the Prevention of Money Laundering Act.

5. I understand that the Directorate has been making rapid strides in investigating cases under the Act, attaching the laundered proceeds of crime, and launching prosecutions against the offenders. In some cases, the Directorate has succeeded in tracing and restraining the laundered proceeds in jurisdictions outside our territory limit. These attachments of laundered proceeds of crime have bolstered public confidence in them.

Ladies and Gentlemen:

6. International cooperation is essential to tackle cross-border money laundering and terror financing. The Directorate should intensify its efforts at actively engaging with money laundering investigation agencies of other countries. Our officers must learn from best investigative techniques of other countries. I'm sure many other countries could also benefit from the best practices which we have. The Directorate should aim to work out modalities with international partners so that action with regard to restoration of stolen assets spirited abroad is expedited. Multilateral fora such as the Financial Action Task Force (FATF), the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG), and the Asia Pacific Group on Money Laundering (APG) also need to be optimally utilized by the Enforcement Directorate for bilateral exchanges and follow up with counterpart enforcement agencies for better mutual cooperation on Anti Money Laundering (AML) and Countering the Financing of Terrorism (CFT).

7. I have been given to understand that the Enforcement Directorate has traced and attached a large variety of laundered assets. I have also seen from media reports that the assets range from cash and bank accounts to vehicles, land, residential and office buildings, and industrial units. These assets will finally vest to the Government only after the due legal process is completed. During this period, Directorate should concentrate on working out and implementing protocols for safeguarding these assets, while the legal processes for their confiscation continue.
8. The process of globalisation and rapid advances in information and communications technology has shrunk the world. Money can nowadays move very quickly across national borders. To stay ahead of the curve, the Directorate should develop expertise in financial investigations and detection of cross border flows. The Directorate should also look at adopting state of the art technology in relevant areas such as communications, technical infrastructure and computer forensics.

Ladies and Gentlemen:

9. The Enforcement Directorate has been carrying out sensitive work, which requires a high degree of responsibility and confidentiality. The Enforcement Directorate should get adequate resources in terms of money and manpower, technology and legal expertise, so that it can effectively fight against money laundering. In 2011, the organizational strength of the Directorate was enhanced almost three times from 745 to 2,064 to expand

its capacity for investigation. The working environment in the Directorate should be such as to encourage the best to join and work. The Enforcement officials should perform their duty with utmost efficiency and integrity which I am happy most of them are doing. They should be appropriately motivated and incentivized. I take this opportunity to congratulate the officials of the Directorate who have been commended today for their distinguished and meritorious services. I am confident that the awardees will serve as role models for many others in the organization, and motivate them to maintain high standards of professionalism and to discharge their duties with honesty and integrity without fear or favour.

10. On Enforcement Day, I urge the Directorate to rededicate itself to the fulfilment of its mandate, to achieve greater efficiency, to impartially investigate and bring to book money launderers and economic offenders, and to do so in a time-bound manner. I call upon all its personnel not to be content with its achievements so far, but to aim higher and benchmark its processes and actions with international best practices. With these words, I thank you once again and wish you all success in your future endeavours.

Thank you.

Jai Hind.
