

Government of Tripura
Office of the Director General of Police
Tripura ::: Agartala.
(Legal Cell)

No. 03-21 /R-42/DGP/LC/99(L-1), Dated the 2nd Jan, 2017.

To
The Superintendents of Police, North
/ Unakoti / Dhalai / Khowai / West / Sepahijala
/ Gomati and South Tripura District.

The Superintendents of Police,
GRP, CID, MTF, EB, Procurement and, Traffic,
Tripura, Agartala.

Subject :- Transmission of copy of Memorandum vide No. PDIT (Inv) / NER / GHY / Admn / 2016-17 / 144 dated 15.12.2016 of the Principal Director of Income Tax (Inv) NER, Guwahati -regarding Law enforcement relating to demonetization of currency.

Please find enclosed copy of Memorandum vide No. PDIT (Inv) / NER / GHY / Admn / 2016-17 / 144 dated 15.12.2016 of Principal Director of Income Tax (Inv) NER, Guwahati, contents of which are self explanatory.

It is requested to circulate the above memorandum to all field level officers including O/C PSs and SDPOs under your jurisdiction for information and necessary action.

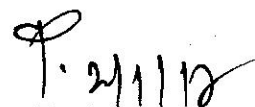
(Lalhminga Darlong)
Asstt. Insp. Genl. of Police(Crime).
For Director General of Police.
Tripura.

Copy alongwith its enclosures to:-

01. The Insp. Genl. of Police (L/O), Tripura for information please.
02. The Dy. Insp. Genl. of Police (S/R), Tripura for information please
03. The Dy. Insp. Genl. of Police (N/R), Tripura for information please
04. The Principal, KTDS, Police Training Academy, Narsingarh for information and n/a please.

Copy also to:-

05. The I/C E-Governance Cell, PHQ with a request to upload the same on the Tripura police website for information of all concerned.
06. Circular file / Memorandum file of Legal Cell, PHQ.


(Lalhminga Darlong)
Asstt. Insp. Genl. of Police(Crime).
For Director General of Police.
Tripura.

RECEIVED
 No. 3326
 Date 19.12.16
 O/o. the Insp. Genl. of Police (L&O)
 PHQ, Tripura.

DIRECTOR GENERAL OF POLICE
RECEIVED
 No. 1188/14
 Date 19/12
TRIPURA, AGARTALA



Office of the Principal Director of Income Tax (Investigation), NER

कार्यालय प्रधान आयकर निदेशक (अन्वेषण), पूर्वोत्तर क्षेत्र
 Aayakar Bhawan, 4th Floor, Christian Basti, G S Road, Guwahati-781005
 आयकर भवन, क्रिश्चियन बस्ती, जी एस रोड, गुवाहाटी-781005
 Tel: 0361-2340311 Fax: 0361-2340995 Email: guwahati.dit.inv@incometax.gov.in

No.PDIT(Inv)/NER/GHY/Admn/2016-17/144

Dated: 15.12.2016

OFFICE MEMORANDUM

Law enforcement relating to demonetization

The old high denomination currency or specified bank notes (SBN) of Rs.1000 and Rs.500 denomination were declared by the central government as non-legal tender from the mid-night of 8th November 2016 by a notification vide F.No.10/03/2106-Cy.I dated 8th November, 2016 issued under section 26(2) of the Reserve Bank of India (RBI) Act, 1934. However, exchange of such currency is permitted up to 30th December, 2016. The method and quantum of exchange is prescribed in Paragraphs 2 and 3 of the said notification. The SBN can be deposited in any bank account without any limit up to 30th December, 2016. After this date, it can be deposited with RBI only up to 31st March, 2017. After this date, SBNs will become worthless paper.

2. Mere holding or carrying of SBN or new currency is not an offence, as there is no law to prevent or regulate holding or transportation of Indian currency. Section 31 of the RBI Act prohibits any person, other than RBI or the central government, from issuing any bill or note and from borrowing any sum against any bill or note, which entitles the bearer to claim the sum / money on demand. Penalty for contravention of section 31 is contained in section 58B, being the said sum, and is imposable by RBI. For any false declaration / statement the punishment prescribed is imprisonment up to 3 years and fine. Section 58E of the RBI Act prescribes that no court shall take cognizance of any offence punishable under the RBI Act except upon a complaint in writing by an officer authorized by the RBI. The Foreign Exchange Management Act, 1999 regulates transfer / exchange of foreign currency. It does not provide any law for regulation of Indian currency.

3. The Prevention of Money Laundering Act (PMLA), 2002 provides for punishments for the offence of money laundering. Money laundering is defined in section 3 of PMLA to be an offence of involvement with or projecting any proceeds of crime as untainted property. Proceed of crime is defined in section 2(u) as any proceed of a scheduled offence. Scheduled offence is defined in section 2(y) as offences specified in Part-A and Part-B of the Schedule to the PMLA. The Schedule includes the following sections of the Indian Penal Code (IPC) – 121 & 121A (in Part-A), 302, 304, 307, 308, 327, 329, 364A, 384-389, 392-402, 467, 489A and 489B (in Part-B). The authority prescribed under PMLA is the Director of Enforcement, Government of India. In the context of currency notes, the relevant sections are 467 (relating to forgery of a valuable security, will or authority to make or transfer any valuable security or to receive any money, etc.), and 489A / 489B (relating to counterfeit currency). Thus, if an offence is committed under sections 467, 489A and 489B, the provisions of PMLA also come into operation apart from provisions of IPC.

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4. In the context of demonetization, therefore, if currency is found / intercepted, it has to be first ascertained whether the currency is counterfeit, or there is forgery of currency / will / authority to receive money. In such an event, the Directorate of Enforcement has to be informed under PMLA after registering FIR. If no such offence is detected, and if the amount is above Rs.2,50,000/- (basic amount exempt from income tax), preliminary enquiry may be made to ascertain the ownership, source, and purpose of transporting the currency. If these aspects are not clear, or if the amount is large, say above Rs.10 lakh, it may represent untaxed or black money liable to taxation under the Income Tax Act, 1961 or confiscation under Prevention of Benami Property Transactions Act, 1988, for which the Directorate of Investigation of the Income Tax Department may be contacted immediately.

5. As per Article 246 of the Constitution of India, Parliament has exclusive powers to make laws relating to entries in List-I of the Seventh Schedule. Entry 36 is 'Currency, coinage and legal tender; foreign exchange', Entry 38 is 'Reserve Bank of India', Entry 45 is 'Banking' and Entry 46 is 'Bills of exchange, cheques, promissory notes and other like instruments'. The regulatory framework and enforcement relating to these items is responsibility of the central government and its agencies. Banking sector functions under central laws and offences relating to banking are dealt with by the Central Bureau of Investigation (CBI). Thus, unless specifically authorized under central law, the state agencies may not enforce the law themselves but bring it to the notice of the relevant central law enforcement agencies, viz. Income Tax, CBI and ED.

Nodal Officers in the Directorate of Income Tax (Investigation), NER, are:-

- 1) Sh. C Deepak Singh, Addl. Director - 9401991881;
Email - guwahati.addlit.inv1@incometax.gov.in
- 2) Sh. K Padmapani Bora, Deputy Director - 9013851666;
Email - guwahati.ddit.inv1.2@incometax.gov.in


(Shishir Jha)

Principal Director of Income Tax (Inv), NER, Guwahati

Copy to:-

1. Directors General of Police for circulation to police authorities -
(i) Assam, (ii) Arunachal Pradesh, (iii) Meghalaya, (iv) Manipur, (v) Mizoram, (vi) Nagaland, and
(vii) Tripura.
2. DIG, Central Bureau of Investigation, Guwahati.
3. Deputy Director, Directorate of Enforcement, Guwahati.
4. Reserve Bank of India, NE Circle, Guwahati.