



MASCRADA 2017

MOVEMENT AGAINST SMUGGLING & COUNTERFEIT TRADE

Protect Your Brand Globally: Fight Counterfeiting, Smuggling and Piracy



KEY DELIBERATIONS



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Illicit Trade

Illicit Trade in terms of counterfeiting, smuggling and piracy are highly pervasive across countries and sectors, representing a multi-billion-dollar industry globally that continues to grow and impact commerce and industry, governments, economies and the society at large. According to the World Economic Forum, the global value of illicit trade and transnational activities is estimated between 8 and 15 percent of the global GDP. According to a recent BASCAP (Business Action to Stop Counterfeiting and Piracy) and INTA (The International Trademark Association) study it is estimated that the total value of counterfeit and pirated goods in the year 2013 was about \$923 Billion - \$1.13 trillion and has been forecasted to be around \$2.81 trillion by year 2022.

Moreover, such illegal activities have broad economy-wide effects on trade, foreign investment, employment, innovation, criminality, environment, and most importantly on the health of the consumers. With low barriers to the market entry and infiltration, no country is immune from the impact of counterfeiting and no single sector can be said to be an exception. Some of the factors responsible for existence and operation of the grey market are: high unit profitability, large potential market size, tax arbitrage, rise of genuine brand power (that may be replicated), moderate investment and technology requirements needed by counterfeiters, easy access to distribution channels, ease of concealing operations coupled with poor enforcement. Changing consumer preferences such as high value/price consciousness, low prices of fakes, low health and safety awareness, low respect for intellectual property also play a significant role.

Increasingly, smuggling is becoming a hugely lucrative business, with criminals relying on the continued high demand for cheap goods coupled with low production and distribution costs. The illegal activities related to smuggling take advantage of unaware consumers and bargain-hunters, exploiting people's appetites for brands or simply their financial situation. The criminal networks behind this operate across national borders in activities that include the manufacture, export, import and distribution of illicit goods.



FICCI CASCADE

*Committee Against Smuggling and Counterfeiting Activities
Destroying the Economy*

FICCI has been focusing on curbing the problem of growing illicit trade in counterfeits, pass offs and smuggled goods, and accordingly has dedicated a forum by establishing CASCADE - Committee Against Smuggling and Counterfeiting Activities Destroying the Economy. FICCI CASCADE is working closely with the Industry and Government to create awareness on how counterfeiting and smuggling has become a serious menace to public health and safety, and why all concerned must address these important issues.

FICCI CASCADE has been successful in stirring an active debate on the menace of smuggling and counterfeiting nationally through various awareness programmes and initiatives engaging industry, policy makers, law enforcement officials, voluntary organizations and consumer at large. Since its inception, FICCI CASCADE has over the years organised various awareness programmes and initiatives across the nation to fight the hazards of counterfeiting, piracy and smuggling. It has been successful in stirring an active debate on the topic nationally and internationally. These awareness programs were well attended comprising industry (retailers, distributors and manufacturers) across sectors, consumer rights activists, youth, government officials, the judiciary, police, customs and border enforcement officials, and have received wide public appreciation and media coverage.

FICCI CASCADE engages with various ministries at the National and State level. CASCADE works closely with the Ministry of Consumer Affairs in their vision to protect the rights and interests of consumers, to spread awareness about consumer rights, duties and responsibilities and to promote consumer welfare by strengthening consumer movement in the country.



An integral part of FICCI CASCADE is to conduct multi-stakeholder dialogues focused on identifying opportunities for joint action between governments, enforcement agencies, international institutions and the private sector to combat illicit trade. In furtherance of this mandate CASCADE has organized 4 editions of its flagship international conference. The objective being to bring together and encourage deliberations between the stakeholders on the alarming magnitude of unfair trade practices such as counterfeiting, smuggling & piracy, and to spread awareness about its adverse socio-economic impact. The conferences saw overwhelming response in terms of delegate participation, media coverage and witnessed a host of international and national speakers who deliberated on the theme.







Illicit Trade: A Growing Economic Menace

Illicit trade holistically disrupts the sustainable development of a nation. It not only leads to loss of revenues to states, but also risks legitimate businesses. Besides, illicit trade causes significant threats to the health, safety and security of the citizens, as well as adds to costs on governance, environment and biodiversity. Moreover, globally it fuels transnational crime, corruption, and terrorism. As it converges with other criminal activities, it undermines the rule of law and the legitimate market economy, creating greater insecurity and instability around the world.

Across the globe, illicit networks are infiltrating and corrupting the economic development of the nations. With the advent of technology, illicit trade and organized crime have found vogue causing the problem to increase manifold. FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy [CASCADE] has, over the years, been concerted addressing this issue through its various pan-India awareness generation activities, building capacities of law enforcement officials and undertaking ground breaking research on the extent and impact of the menace.

In furtherance of its mandate, FICCI CASCADE organized the 4th edition of its International Conference titled - **MASCRADE, 2017- Movement Against Smuggling and Counterfeit Trade** in New Delhi on 12th and 13th October 2017. The theme of this year's conference was Protect Your Brand Globally: Fight Counterfeiting, Smuggling and Piracy. MASCRADE 2017 was structured to ensure that national and international stakeholders deliberated to identify opportunities for joint action between governments, private sector, and enforcement machinery to combat illegal trade. The objective was to:

- 1 Look at the economic consequences of mass counterfeiting, smuggling & piracy and the strategies needed to deter this activity
- 2 Contribute to an integrated vision of security and public safety
- 3 Deepen understanding of "grey markets" for illicit goods, to assess their impact, and to promote practical recommendations and effective strategies by the public and private sectors to dismantle them
- 4 Develop a better enforcement ecosystem and to protect the interest of brand owners in India



Inaugurating the conference, Mr. Shatrughan Sinha, Member of Parliament, Lok Sabha, emphasized on the need to focus on not only to promote India's goods and services, but also to increasingly protect our goods and services against smuggling and counterfeiting. He urged all the stakeholders to take this agenda to the global platform and engage actively with transnational enforcement agencies, including NRIs, in the movement against illicit trade. Lauding FICCI CASCADE's commitment and drive to curb smuggling and all forms of illicit trade, which was helping in creating awareness on this serious problem, he observed that more such initiatives were called for to change the mind set of consumers on the use of illicit goods and services, and the role they could play in the fight against the growing socio-economic threat.

Mr. Suresh Prabhakar Prabhu, Union Minister for Commerce and Industry, Government of India,

through a video message, underlined the fact that with India moving towards becoming a knowledge economy, respecting and protecting the knowledge and intellectual property of its creators was a key component for the country's rapid growth. He assured the forum that the government was committed to this end, and was taking measures to put in place a robust and effective regime to guard the economy against all forms of illicit trade.



Mr. Anil Rajput, Chairman, FICCI CASCADE, in his welcome address, stated "Proceeds from illicit trade are increasingly becoming the main source of terror funding. We need to understand this relationship and work towards effective mechanisms to counter its worldwide impact. It is a race against time as all of us are the stakeholders. The policymakers are steadily taking steps but the need of the hour is to seek bold and out of the box solutions".

Highlighting the several initiatives undertaken by the Government of India to fight the menace of smuggling and counterfeiting, **Mr. Pranab Kumar Das, Member, Customs, Central Board of Excise and Customs**, highlighted the need to create ownership and to build a relationship of trust between the government agencies and private sector. The need of the hour was to create a level-playing field for the stakeholders to curb tax evasion, black economy and revenue losses, he observed, while adding that CBEC is a potent force which is ready to partner with FICCI and the private sector to fight illicit trade.

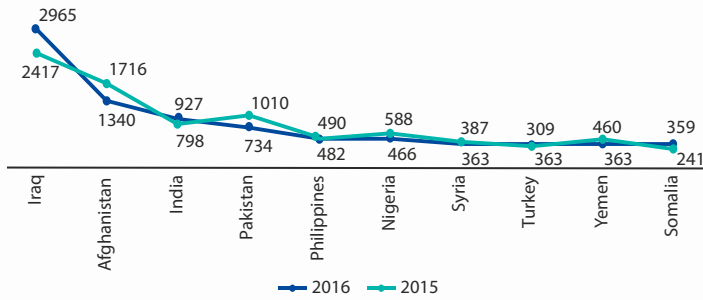


Mr. Sergey Kapinos, Regional Representative, South Asia, United Nations Office of Drugs and Crime (UNODC), in his address, said that smuggling and counterfeiting goods not only hampered the economic growth of a country but also adversely affected the social fabric and the well-being of its people. There was a growing need to collaborate globally for framing robust policies and effective implementation to curtail this economic menace, he added.

During the conference, FICCI CASCADE and KPMG India released a report titled- 'Illicit trade: Fuelling Terror Financing and Organised Crime'. According to the report, India was the third most affected country by terrorist activities in 2016, with the first and second positions occupied by Iraq and Afghanistan, respectively. Another feature highlighted is that counterfeiting stands as the second largest source of income for criminal activities such as terrorism globally, as estimated by United Nations Commission on Crime Prevention and Criminal Justice (UNCCPCJ). Also, terrorist organisations are manufacturing counterfeit goods and smuggling them across borders to finance their crime operations. Prominent terrorist organizations such as Hezbollah, Lashkar-e-Taiba, Al Qaida, Irish Republican Army, etc. rely on illicit trade for financing up to 20% of terror operations.



Figure 1: Ten countries globally with the most number of terrorist activities

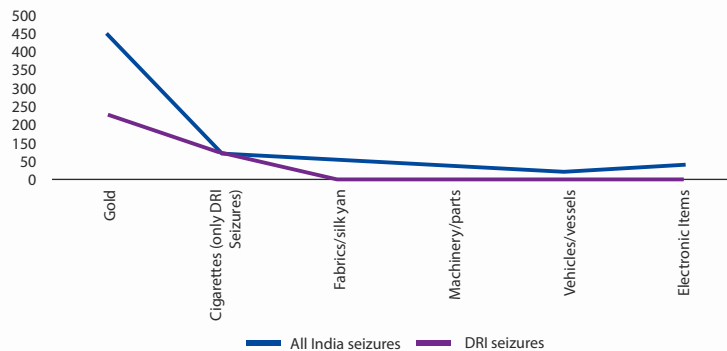


Source: National Consortium for the Study of Terrorism and Responses to Terrorism. U.S. Department of State

- As shown in figure 1, the number of terrorist activities in India increased to a total of 927 in 2016 from 798 in 2015, showing an alarming increase of approximately 16 per cent
- Nearly 75 per cent of all deaths in 2016 due to terrorist attacks took place in five countries (Iraq, Afghanistan, Nigeria, Syria, and Pakistan)
- More than 55 per cent of all attacks in 2016 took place in five countries (Iraq, Afghanistan, Pakistan, India, and Nigeria).

The report also highlights that the total employment losses globally due to counterfeits and piracy stood at 2 to 2.6 million jobs in 2013 and is expected to rise to 4.2 to 5.4 million jobs in 2022, suggesting an approximate increase of 110 per cent. The most commonly counterfeited and smuggled goods are tobacco, cigarettes, electronic items, gold, machinery and parts, alcoholic beverages, auto components, Fast Moving Consumer Goods (FMCG) and mobile phones. As per KPMG, in India's analysis on UN COMTRADE data for years 2012-16, the average annual smuggling of electronics was around Rs. 3,430 crore. Similarly, the average smuggling of gold for these years was Rs. 3,120 crore, and machinery and parts Rs. 5,913 crore. Further, the percentage penetration of illicit trade in the cigarettes market increased from 15% to 21%. Factors like higher taxation rates, availability of cheaper alternatives, lack of awareness and lack of enforcement mechanisms are key factors that drive illegal trade in India.

Figure 14: Commodity wise seizures, 2017



Source: Directorate of Revenue Intelligence, 2017

The conference, spread over two days, highlighted and deliberated on issues such as ways of countering illicit market operations, defending brands, reputational and financial impact due to illicit market operations, collaborations among law enforcement agencies to fight illicit trade and cross border organized crime, combating content theft in the digital economy, anti-counterfeiting, anti-smuggling & brand protection strategies and solutions – among others. The discussions also focused on the socio-economic consequences of cross border illicit trade and the policies needed to deter this activity. The interactions contributed to an integrated vision of national security and public safety, enabling an interdisciplinary dialogue among the

participating industry regulators, customs and law enforcement officials, major producers of consumer goods, consumer associations and NGOs. With an underlying objective to deepen understanding of illicit trading activities across borders, the meet also was a useful forum to discuss effective strategies to dismantle such illegal business practices by the public and private sectors.

The conference saw participation of a host of notable international speakers from World Customs Organization (WCO), INTERPOL, United Nations Office for Drugs and Crime (UNODC), Organization for Economic Corporation and Development (OECD), US Homeland Security and US Patents and Trademarks Office, and senior private sector executives from Louis Vuitton, Beiersdorf, PUMA, etc. The forum was also addressed by senior Indian government officials, including Mr. Rajiv Aggarwal, Joint Secretary, Department of Industrial Policy & Promotion, Ministry of Commerce and Industry; Mr. D. P Dash, Director General, Directorate of Revenue Intelligence; Mr. Sushil Satpute, Director, DIPP; Mr. M M Oberoi, Joint Commissioner, Delhi Police.

India has a committed border protection force as well as enforcement agencies that not only safeguard the long national borders against trans-border criminals, including smugglers and terrorists, but also enforce anti-smuggling & anti-counterfeiting laws. To encourage and acknowledge the work of India's law enforcement agencies, FICCI CASCADE, during MASCRAGE 2017, also felicitated the best performing officers for the period 2016-17 for their outstanding achievement in the preventing of illicit trade, and enforcing of anti-smuggling & anti-counterfeiting laws from several Government agencies such as:



Anti-Counterfeiting & Anit-Smuggling Awards





MASCRADA 2017

MOVEMENT AGAINST SMUGGLING & COUNTERFEIT TRADE

1
DAY

INAUGURAL



Mr. Shatrughan Prasad Sinha

Member of Parliament Lok Sabha
Government of India

The need is to focus on not only promoting Indian goods and services, but also to increasingly protect our goods and services against smuggling and counterfeiting. All stakeholders should take this agenda to the global platform and engage actively with transnational enforcement agencies, including NRIs, in the movement against illicit trade. FICCI CASCADE's commitment and drive to curb smuggling and all forms of illicit trade, is helping in creating awareness on this serious problem, more such initiatives are required to change the mind set of consumers on the use of illicit goods and services, and the role they could play in the fight against the growing socio-economic threat.

There is no accountability of such goods.

People for minor gains use counterfeit and smuggled products ignoring their ill effects. We need to look at our own place, our country and our people. There is need for promotion, protection and projection of our goods in the right manner. This problem of counterfeiting, smuggling and piracy is creating black economy and we need to counter this menace now. The need of the hour is tangible actions to strengthen our laws, and increase enforcement against illicit trade practices. An orchestrated strategy with participation from policy makers, industry, civil society and organizations, to work together and comprehensively address this complex challenge.



Mr. Sergey Kapinos

*Regional Representative, South Asia
UNODC*

 UNODC deals with transnational organised crime matters, which crosses national borders and has accumulated and extended unique experience in addressing challenges in this field. Over the past few decades, countries have made appreciable improvements in their security apparatus, but challenges persist. Issues like cross-border terrorism, trafficking, illegal movement of goods and persons, cybercrime and counterfeiting have emerged as critical threats to the social and economic development of any nation in this region. Amongst the other challenges the issue related to counterfeit, smuggled and pirated goods is an area of global concern. Any product which adds economic value to right holders and create price differential can be counterfeited, this



may range from high end luxury goods like perfumes, watches to B2B products like chemicals, spare parts to consumer products like cosmetics, food stuff etc. Counterfeit products are often smuggled to evade taxes. Tax evasion also allows counterfeit goods to be priced extremely competitively while at the same time affording attractive profits for dealers. They undermine tax base and effect public service available for all. The trade in counterfeit and pirated goods mapping the economic impact as per report by OECD and EUIPO, the counterfeit and pirated goods are worth 461 Billion USD and represents 2.5% of the world trade. The figures are staggering and equivalent or even more than GDP of many large countries. This phenomenon has grown in the past one decade and OECD study conducted in 2008 accounted to 2% of world import or up to 200 Billion USD.

Generally, it has been noticed, that emerging economies play an important role in this phenomenon either as the producer of counterfeits or acts as a transit zone. India and emerging economies is target because of obvious reason that they have sufficient infrastructure and productive and technological capabilities but unfortunately in many cases they lack institutional framework and capacities to combat counterfeiting and smuggling. India is one of the most rapidly growing economies in the world, it has significant advantages in terms of stable governance framework, cheap labour, availability of raw material etc. with the Government's focused initiatives like Make in India, the manufacturing sector in India can be its one of the greatest success stories for future. While it is important to safeguard the genuine interest of Indian industries from this menace it is equally important for the government to ensure the section of Indian industries do not associate with counterfeiters and smugglers to source their supplies.

There exists a wide gap in the capacities of the law enforcement agencies responsible to control this challenge. UNODC and World Custom Organisations initiative called Container Control Programme (CCP) implemented in Bangladesh, Nepal, Maldives and Sri Lanka aims to strengthen the supply chain security and minimize the exploitation of maritime containers from the illicit trafficking of drugs and counterfeit goods. Now CCP is also extended to air cargo supply chain.

Counterfeiting and smuggling is nothing but customer fraud and is guided by profit motive only. There is a need to spread awareness among all stakeholders who are adversely affected by it directly as well as indirectly. Also, there is need for generating more evidence and extensive investigations to address this challenge. Information on magnitude, scope and trends of illicit trade is critical to understand the nature of the challenges faced by governments and stakeholders. Any transnational organised crime in terms of social, cultural, linguistic and geographical borders must be met with concrete responses. Our approach towards strengthening and movement against counterfeiting and smuggled goods should be comprehensive and integrated. UNODC would be happy to support and strengthen any such initiative in India."

Mr. Pranab Kumar Das

*Member, Customs, Central Board of Excise and Customs
Dept. of Revenue, Ministry of Finance, Govt. of India*

Keeping in line with the government's initiatives, Central Board of Excise and Customs has launched a series of such initiative in recent years like Assessment on Import and Export on Electronic platforms based on risk management system, on a single window clearance. It not only helps in faster clearance but also supports in interdicting the selected consignments on import and export, based on risk parameters of several government agencies empowered to look into the respective area of enforcement like drug control, food safety, etc. and CBEC propose to extend this single window to 33 government departments. Next is the Authorised Economic Operator Programme based on the same lines as CityPat in USA which is required to have various entities either in import and export sector, even in logistic sector to ensure safe and secure supply chain.

CBEC has liberalised the mechanism to address transfer pricing and special valuation along with the warehousing provisions. Unless we trust the trade and industry, we cannot move forward or become a power in next century. The basic underlying theme of Digital India or ease of doing business is to trust the trade and establish the feeling of ownership which will ensure a level playing field. Illicit trade fuels black economy, encourages tax evasion and promotes organised crime world over. Countering such trade is high on the agenda of government as well as CBEC, such tax evasion and illicit trade results in revenue loss to both the Central and the State Government. Illicit trade can be done by under/over valuation in both imports and exports. Each of these parameters can fuel black economy in many ways.

Counterfeits not only harms the public



health but also damages the social fabric, destroys domestic industry and economic security.

Countering undervaluation and mis-declaration of imported goods by sales companies with fake import and export code is a major challenge to many government agencies. Smuggling is particularly disastrous for trade and industry. It results in unfair competition of smuggled goods as they are available at cheaper rates in the market, it impacts the market size available for the illicit trade and adversely impacts the manufacturing sector. It also discourages clean business and promotes culture of tax evasion and avoidance. Indian Customs enforces IPR laws across international borders protecting violation of copyright, trademark, patents, design and geographical indications. CBEC is always willing and committed to work with industries and partner with them to prevent smuggling and illicit trade.”

Mr. Suresh Prabhakar Prabhu

*Minister of Commerce and Industry, Ministry of Commerce and Industry
Govt. of India*

Issue of counterfeiting, smuggling and piracy is growing all over and we need to work on arresting the problem of illicit trade. 15% of global GDP is lost into this with people's investment in their time, money, energy and intellect. I am very happy that FICCI has setup a Committee Against Counterfeiting and Smuggling Activities Destroying the Economy and I wish to offer all my support. Spurious drug is being used and is causing serious health hazards in addition to loss of Intellectual property. I am sure that Ministry of Commerce and Industry is going to create a very healthy, respected and a vibrant dynamic regime for IP, we will be very happy to work with FICCI CASCADE and assure that all Intellectual Property Rights will be protected, promoted and safeguarded.”



Mr. Anil Rajput

*Chair, FICCI CASCADE and
Senior Vice President, Corporate Affairs, ITC Ltd.*

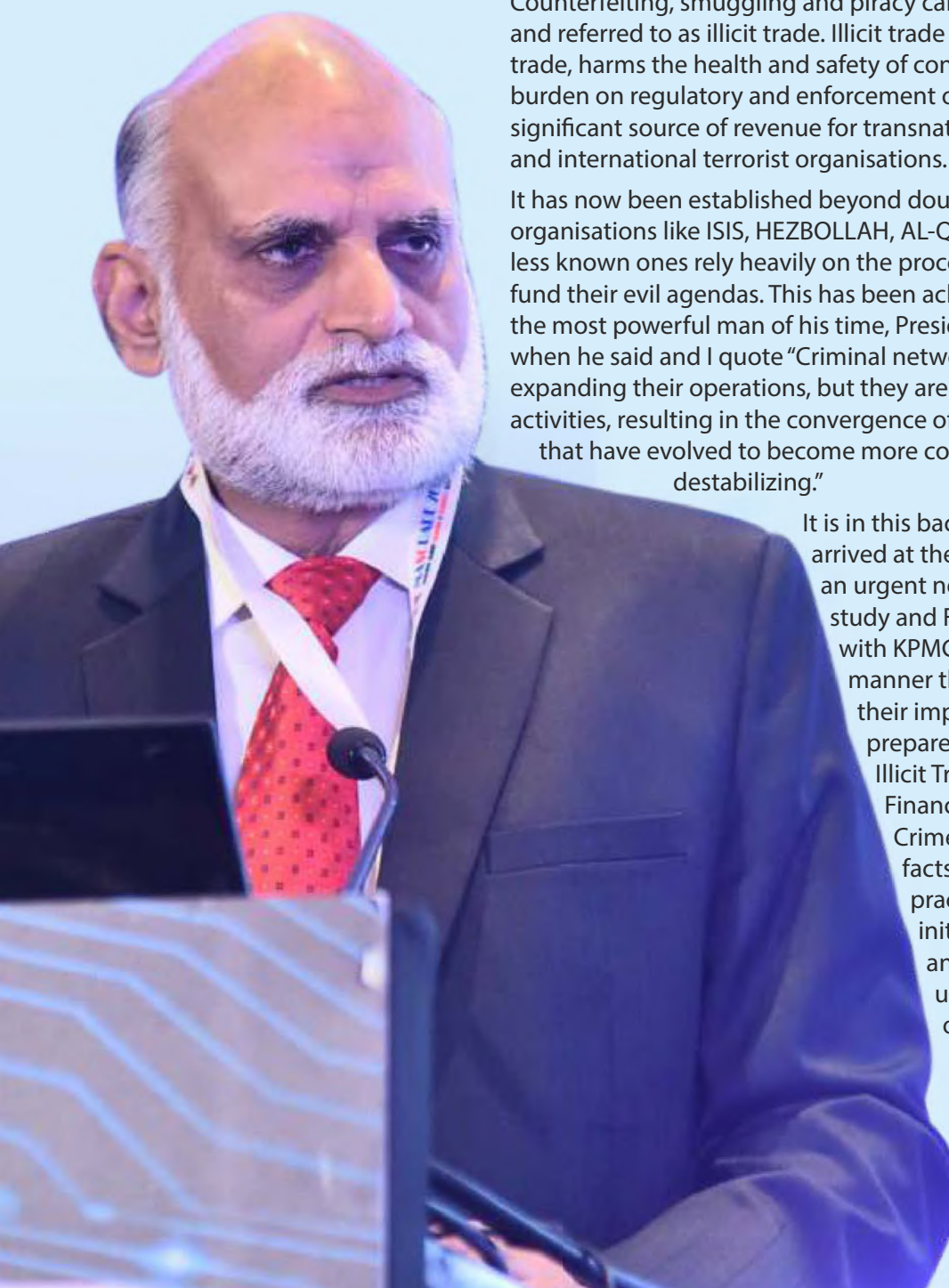
The subject at hand impacts each and every one of us in some form or the other, either directly or indirectly. I have always held the firm belief that there can never be enough of us when it comes to devising strategies and shaping a road map on the tricky and complicated subject of illicit trade.

Counterfeiting, smuggling and piracy can be clubbed together and referred to as illicit trade. Illicit trade distorts international trade, harms the health and safety of consumers, imposes heavy burden on regulatory and enforcement organisations and is a significant source of revenue for transnational criminal networks and international terrorist organisations.

It has now been established beyond doubt that terrorist organisations like ISIS, HEZBOLLAH, AL-QAEDA and many more less known ones rely heavily on the proceeds of illicit trade to fund their evil agendas. This has been acknowledged by one of the most powerful man of his time, President Barack Obama when he said and I quote "Criminal networks are not only expanding their operations, but they are also diversifying their activities, resulting in the convergence of transnational threats that have evolved to become more complex, volatile and destabilizing."

It is in this backdrop that we had arrived at the conclusion, that there is an urgent need for a comprehensive study and FICCI CASCADE partnered with KPMG to evaluate in a detailed manner these complex issues and their impact. KPMG has now prepared a detailed report titled- Illicit Trade: Fuelling Terror Financing and Organized Crime. It is a compilation of facts and figures, best practices, case studies and initiatives at the national and international level to understand terrorism and organized crime, its financing mechanisms and charting a framework for preventing the financing of terrorism.

According to the World Economic



Forum the global value of illicit trade and transnational activities is estimated between 8 and 15 per cent of the global GDP. The total value of counterfeit and pirated goods is expected to reach anywhere between \$ 1.90- \$ 2.81 trillion by the year 2022, it is a matter of grave concern.

In India, the estimated loss to 7 sectors of the economy namely Tobacco, FMCG (personal and packaged goods), Alcohol, Mobile phones, Automobile parts and Computer hardware is a shocking Rs 105,381 crores between 2012-2014. While the loss of revenue for the government stood at Rs 39,239 crores for the same period. According to the estimates of the Directorate of Revenue Intelligence, the extent of smuggling in India is maximum for cigarettes, gold, machinery parts, electronic items along with fabric and silk yarn.

Here we need to highlight the dynamics of illicit trade in cigarettes. Due to low risk and high rewards, it is today, one of the favourite products for those indulging in illicit trade. It also makes a huge dent in the profits and market share of the legal cigarette industry, not to mention exposing the consumers to sub-standard and potentially damaging products.

In addition, it is also an attractive product for the terrorists and anti-national elements to deal in. In-fact one of the terrorists in the Charlie Hebdo attack in Paris in 2015 was found to be involved in the trade of counterfeit cigarettes. The Al-Qaeda in the Islamic Maghreb, a terrorist group operating mainly in Algeria and Mali and responsible for several bloody attacks in north Africa in the recent years has banked millions by controlling cigarette-smuggling routes in the region.

FICCI CASCADE's flagship international programme titled MASCRAGE 2017, Movement Against Smuggling and Counterfeit Trade is a step in a direction that ensures that national and international stakeholders can dialogue and deliberate to identify opportunities for joint action between governments, private sector, and enforcement machinery to combat illicit trade with the objective of:

Looking at the economic consequences of illicit trade and the policies needed to deter this activity. Our expectations from the policymakers are immense, they are the ones who ensure the implementation of ideas. How can funding that fuels terrorism be stopped or at least reigned in? Can it be through stricter IP enforcement laws, reducing tax arbitrage, more powerful regulatory authorities, through fast track courts and most importantly the psyche, wherein it should not be the quantum of the seizure as much as the concept of placing all forms and quantity of illicit items on the same platform. Irrespective of the size of the seizure, illicit products need to be dealt with an iron fist and this message needs to be sent loud and clear. Once this is done by the policymakers, other aspects are more likely to fall in place as well.

In-fact the government of India has recently demonstrated its ability to play hard ball while dealing with the most challenging issue facing our nation today, where the National Investigating Agency (NIA) has successfully brought to book many culprits who were till recently roaming with impunity. The benefits of this will certainly be seen in the foreseeable future.

Another objective is to deepen the understanding of "grey markets" for smuggled, counterfeit and related pirated commercial goods, to assess their impact and to promote practical recommendations and effective strategies by the public and private sectors to dismantle them.

Leading international institutions like World Customs Organization (WCO), INTERPOL, United Nations Office for Drugs and Crime (UNODC), Organization for Economic Corporation and Development (OECD) and US Homeland Security have joined us in addressing the global threat of illicit trade.

I am confident that we are meeting here to work towards a better tomorrow, a tomorrow that brings hope of a safer and a robust world for us and the generations that are to follow.

Mr. Arun Chawla

*Deputy Secretary General
FICCI*



Globally there is a lot of attention and noise on illicit trade and illegal economy. In 2005, Moises stated in his well-known book *Illicit*, “Global criminal activities are transforming the international system, upending the rules, creating new players, and reconfiguring power in international politics and economics.”

More than a decade has passed when those alarming words were penned and even after so many years, illicit trading activities are distorting local economies, diminishing legitimate business revenues, fueling conflict, and deteriorating social conditions.

Illicit trade is damaging national progress by impacting its financial, social and physical health across the globe. The menace is on the rise, and the estimated economic and social costs globally due to counterfeiting and piracy is expected to rise to USD1.87 trillion by 2022.



MASCRADA 2017

MOVEMENT AGAINST SMUGGLING & COUNTERFEIT TRADE

1 SESSION

COUNTERING ILLICIT
MARKET OPERATIONS –
SYNERGIES TO SECURE
OUR FUTURE

Mr. Rajiv Aggarwal

*Joint Secretary, Department of Industrial Policy & Promotion
Ministry of C&I, Govt. of India*

We have time and again seen a link between ill-gotten gains obtained through counterfeiting, piracy, smuggling and terrorist linked activities. There have been several studies supporting this fact and UN Commission on Crime Prevention and Criminal Justice has linked them with the terrorist activities and their funding. It is a very critical issue which needs to be looked at and deliberated upon both as policymakers in the government and stakeholders in the industry.

There has been a call from the industry for an amendment of the IT Act so that for blocking any website one should not require judicial decisions. Infringement of copyright is still not one of the basis on which website can be blocked through an executive decision, which needs to be discussed. Also, there have been suggestions to amend Section 65A of the Copyright Act but after 2012 amendment there is no need for any such amendment for the time being. There are calls for changes in the Cinematograph Act basically in terms of illegal camcording, to prevent unlawful recording of the movies. We are looking at various penal provisions in this regard but to arrest an individual carrying such devices in the cinema hall is not a feasible option as mobile phones also have cameras these days. Illegal camcording is only a part of problem but we need to find more and more innovative ways of tackling the pirates. Setting up IP enforcement units is important; law and order is a state subject and it's something which needs to be looked at the state level and nationally at best there can be some sort of coordination or facilitation but beyond that we must recognize this as a state subject and state should take requisite actions.

One of the innovative steps that has been taken recently in conjunction with the industry is the identification of rogue websites by industry which have pre-dominantly infringing material. The websites have been blocked by domain registrar on the basis of KYC norms or rather not fulfilling KYC norms. So far six websites have been blocked on this basis and we are now looking for more. We can at best block websites that are registered in India but we need to look at more global mechanism in this regard. One final issue is consumer awareness and especially to school and college students which needs to be work upon. Creating awareness will make consumers hesitate and think twice before doing such act and we shall soon see a change in the mindset and the way people and society look at these products.”



Mr. Timothy K. Browning

*Attorney-Advisor
US Patents and Trademarks Office, Washington*



One of the major concern for the United States government currently and over the last few years in the intellectual property is the promotion of economic interest in the US and preservation and expansion of US jobs and globally because of US investments around the world. In United States over the last 5-10 years small or medium size enterprises and start-ups have generated 50% of all new jobs in IP intensive industries. Atleast 6.6 Trillion USD of US economy is dependent upon IP intensive industries, that is 40% US gross domestic product. 60% of all US exports products and almost 15% exports services are from IP intensive industries. These figures show that this is a very important part of US economy since it is an innovation economy. To develop new jobs, we have to protect and develop our intellectual property.

Most of the problem of counterfeits are coming from China and we are focusing 25% or more of our USPTO global resources on this. In addition to USPTO global efforts US Department of Justice has established IP law enforcement coordinators and they have been stationed in Asia, Central Europe and Africa dealing with Central and South Africa. It coordinates with cases that have multinational component and have US nexus as well.

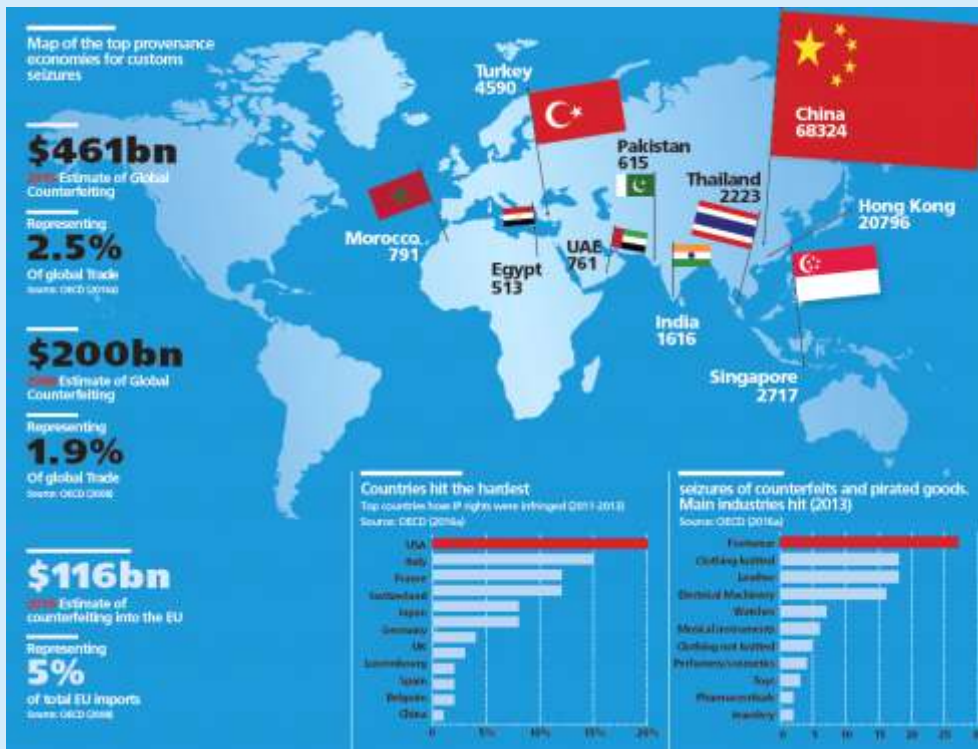
Last month in Bangkok we had regional custom training programme that brought together custom official from 20-25 different countries to discuss US procedure on risk targeting and border enforcement. We do various reporting so that we can target our cooperative efforts, currently we are in process of looking at notorious markets. Our annual report focuses on physical, online and virtual markets. Once we are able to get information from governments, industry groups and individual companies then we can target our efforts on enforcement and provide trainings in the areas that seem to have recurrent problems.

Mr. Stephane Jacobzone

*Counsellor, Public Governance
OECD, Paris*

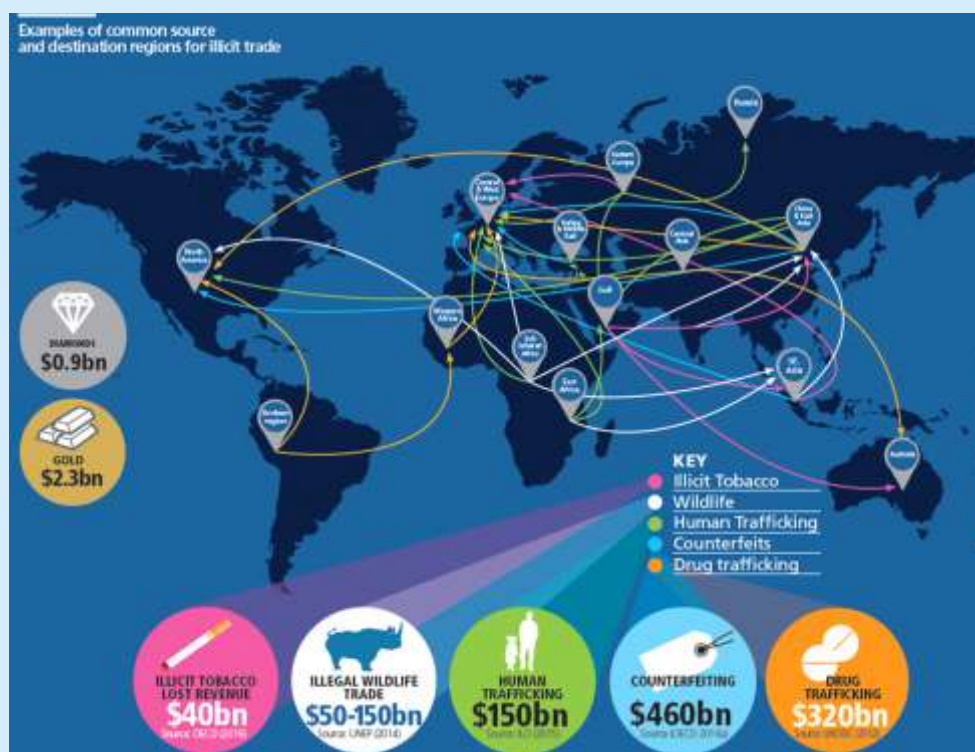


The OECD taskforce on countering illicit trade has been active on this agenda for a bit less than a decade. Low risk detection, low priority, lack of international cooperation and effective data exchange mechanism between enforcement agencies with low penalties facilitate counterfeiting and smuggling. On the other side the economic drivers such as rising value of global bonds, increasing incentives to counterfeiters, revival of international trade and boom in e-commerce and global value chain provides opportunity to counterfeiters and smugglers.



OECD has developed a special report on ICT goods where we found that one in five mobile phones traded globally was a fake. We are also developing country based studies where we are able to assess number of job loss and loss to the government revenue. We need partnership with national authorities to tackle this issue. Illicit trade represents upto 461 Billion USD in 2013 and upto 2.5% of the world trade which is equivalent to the combined GDP of Ireland and Czech Republic. China seems to be the global manufacturer of fake goods. Another key trend that is shown from our data is growth of small shipments, they are below the customs radar screen and things escape the control of customs which is a policy issue and we need to address the trafficking that is now connected with ecommerce and gets shipped in small quantities.

Broader view of Illicit Trade



Effects of illicit trade are due to the import of fake goods of a given country and infringement of IP. Legitimate businesses are losing their investment in brand building, IP rights and patents and the countries where the official manufacturing takes place are also losing.

In terms of Indian industries that have become targets are pharmaceuticals, electrical and leather products. Source of counterfeiting that effects adversely those Indian industries is mostly international. Not only counterfeiting but also smuggling of wildlife products, tobacco, alcohol and even human trafficking is significant economic and human issue. Illicit trade is a source for the funding of terrorist attacks. We need to address the facilitators and institutional capacities that helps in strengthening the fight against illicit trade.

Mr. Felix AVELLAN

Criminal Intelligence Officer
INTERPOL


Interpol facilitates cooperation and information sharing between law enforcements and provide expertise across different crime areas. We have National Central bureau in every member country and have regional offices around the globe to secure global police communication network. Criminal areas that we look upon are databases, DNA, fingerprints, stolen documents, arms, etc.






Interpol uses illicit trade as a generic term to describe all types of illicit trade including falsification, counterfeiting, smuggling and piracy. It's a global phenomenon which deals with health and safety and also with organised crime groups. The objective of our programme is to identify these criminal crime groups behind illicit trafficking and it can be done by raising awareness, capacity building, holding operations and case meetings. We recently raised awareness by holding a crime conference in New York where people from public and private sector came together and share their expertise and information. We also have a case book that was done in 2014 and is been upgraded. Interpol has an IP Crime Investigation Courses which is an online tool for law enforcement and it is available for free for law enforcements. We also held capacity building programme in China on Intellectual Property operations. We have two global operations Pangea and Opson. Pangea has to do with the illicit online sales of pharma and medical devices and Opson with illegal and illicit food and beverage products. We also had many regional operations throughout the globe to counter the menace of illicit trade.





INTERPOL'S CORE FUNCTIONS



- 1 Secure global police communications network 
- 2 Tools permitting the identification of crime and criminals 
- 3 Around-the-clock operational support to law enforcement worldwide 
- 4 Capacity building 
- 5 Business continuity and sustainability 
- 6 Institutional and legal support 



CRIMINAL AREAS

WHAT IS TRAFFICKING OF ILLICIT GOODS?

Generic term used by INTERPOL to describe all types of illicit trade.

It includes such practices as:

- Falsification (pharmaceuticals)
- Counterfeiting (trademark infringements)
- Piracy (copyright infringements)
- Smuggling (legitimate products and tax evasion)




Mr. Mayank Vaid

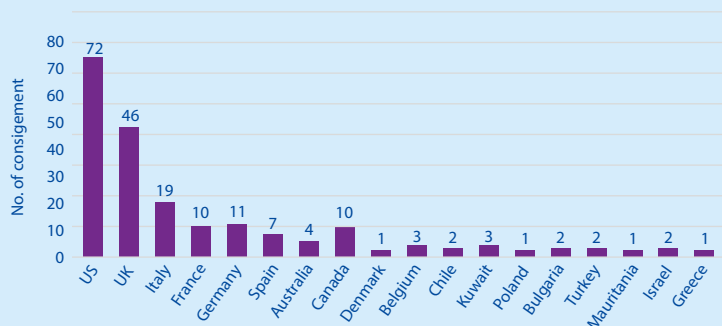
*IP Director, Asia Pacific
Louis Vuitton, Hong Kong*

Building synergies and working together is most important. India is also a production area for Louis Vuitton products. We work with investigators, law enforcement agencies, service partners, inter-industry like pharma, cigarettes etc. We are doing an interesting model in Hong Kong with DHL targeting air cargo controls where consignment are dealt in front of the officers with critical intelligence to select consignment with 95% surety that it is not carrying counterfeit goods. We share information with them such as points of origin, how counterfeit goods are generally packaged, how they look like when they go through the X ray machines, what are the potential origins and destinations etc. This programme was started 2 years ago, we have seized 197 consignments which includes 19000 plus pieces of counterfeit high end leather goods. Total 197 shipments transiting from Hong Kong are moving towards US, UK, Italy, France, Germany and Spain, aiming at countries which can pay higher prices having digital payment system and good online markets. We are not targeting containers full of counterfeits but targeting the online purchase of counterfeits websites and their supply chain (62% leather goods, 38% other item).



Top destinations for counterfeit LV Products, Jan-Sep 2017

- The US is by far the main destination Economy for counterfeit LV products.
- It is followed by the UK and Italy.



Asia Pacific - October 2017

LOUIS VUITTON

Moving to India, Indian customs shares name of the consigner and consignee with the industry upon the seizure which is rare to find. This is a great example of synergy and trust which the Indian law enforcement is trying to build with the industry. We receive complete description like container number, name of the importer and exporter, country of origin, destination, number of goods etc. In other countries, we only receive details of the number, country of origin and destination without name of consigner and consignee until the matter is concluded. Indian customs can act as a model for the rest of the nations.



MASCRADA 2017

MOVEMENT AGAINST SMUGGLING & COUNTERFEIT TRADE

2 SESSION

DEFENDING YOUR BRAND
- MEASURING THE
REPUTATIONAL AND
FINANCIAL IMPACT
ON YOUR BUSINESS

Mr. P.C. Jha

*Advisor, FICCI CASCADE and
Former Chairman, Central Board of Excise and Customs (CBEC)*

Environment in which companies have to defend their brand is very hostile. Laws to deal with the violation of the Trademark Act and the Copyright Act are mild and the chance of detention in such cases is very low and even after detection the proceedings in the court takes a lot of time. Such crimes are motivated with high profits coupled with less punishment and low rate of detection. The magnitude of illicit trade is way beyond common perception. A study by FICCI CASCADE has revealed that in seven manufactured goods namely alcoholic beverages, auto components, computer hardware, FMCG Packaged Foods, FMCG Personal goods, mobile phones and tobacco products the supply of unaccounted and untaxed goods has increased by 44.4% in two years between 2012 to 2014. This resulted in the sales loss of Rs.1,05,381 crore in 2014. The government's loss in tax revenue was to the tune of Rs. 39,239 crore. The maximum loss is attributed to the tobacco sector, at a staggering Rs. 9139 crore in 2014. According to the expert committee report estimates, the share of grey market in tobacco products grew to 20.2% from 15.7% in these two years. According to estimates by the Directorate of Revenue Intelligence (DRI), the extent of smuggling in India is maximum for cigarettes, gold, machinery parts, electronic items along with fabric and silk yarn.



Mr. Cameron Walker

*Regional Brand Protection Manager, Middle East,
India and Africa, Beiersdorf*

We are a part of the legal department where most of the people who work in the brand protection are all former law enforcement officers having a fairly extensive knowledge and careers in investigating crimes. Nivea has opened a major production facility in Gujarat to supply the Indian markets. So, we have moved away with the importing products and we manufacture NIVEA products of German standards with Indian engineers and technicians working in this facility. Counterfeit and smuggled products can cause deception, health risks, and cost to the company, effect to brand reputation and local business economy. It is a big problem not only for buyers but also for competitive brands. We adopt preventive strategies where we do risk assessment on the problem and make investments in anti-counterfeiting. Best way to deal with this problem is to educate the people and train your own staff. We need to educate buyers and retailers to deal with counterfeit products. First educate internally and then externally. We need people who know the market, who know wholesale market, who know how to explore and examine markets. In India, administrative action can be very effective in dealing with infringement. Intelligence is the key. It is very important to know your business and your supply chain, and try to get as much data as possible. One needs to have information of what is happening out there in the market and if you don't have information than you are in complete dark. One of the key things we try to do is to get service provider or ourselves to establish contacts in the market and we pay them for information. This results in successful operation against counterfeiters and smugglers. One of the key things for brand owner is to monitor all your consumer complaints and also your competitor's issues.

How do Beiersdorf tackle this threat

Our 'PREVENT' Strategy

- 1.) Risk Assessment
- 2.) Investment
- 3.) Intelligence
- 4.) Education
- 5.) Examine Alternatives

Mr. Bharat Kapoor

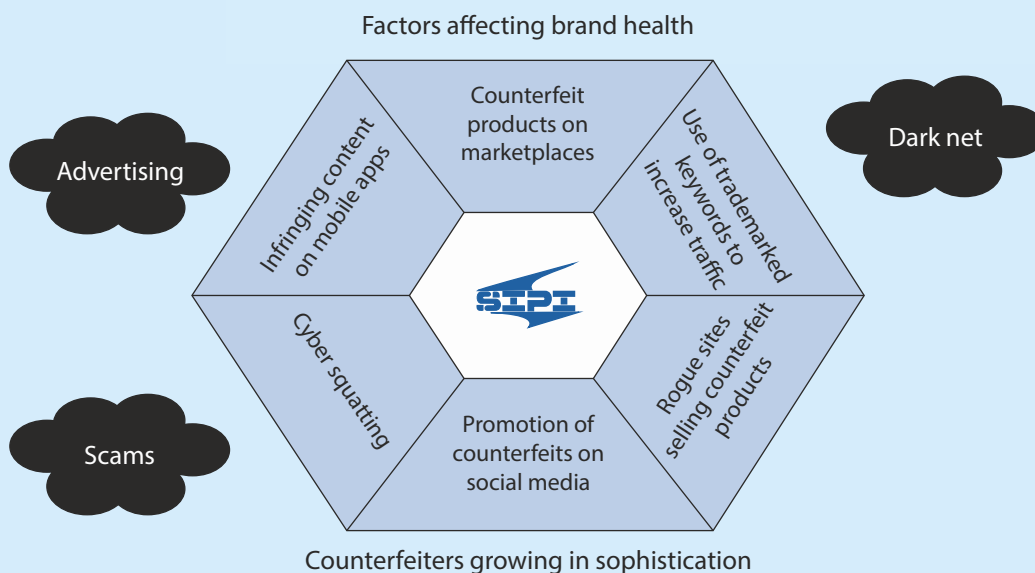
CEO

Strategic IP Information Pte Ltd., Singapore

Internet data is changing very fast. Online world is a good reflection of the offline world. If there is counterfeiting online than certainly there will be counterfeiting on the ground. Whole world is getting online and this speed is dynamic and beautiful. Brands are copied instantly. E-commerce businesses have now become logistics businesses. Everything is moving in mobile especially in country like India. We are by-passing Google to make our purchase decisions and going straight to the market place. Artificial intelligence and technology is also changing; data is flowing freely across the world. 3D printing is one of the biggest areas of concern for brands. 3D printing gets exact replicas. Terrorist have picked on it and one can buy a 3D model of a gun for 12USD on the dark net. It is building generic codes of the brands and this can happen with any product. Brand hijacking is another common phenomenon. Reputation is a major part of the brand. When brand starts appearing on a fake news sites or pirated sites it has negative impact on consumers. From risk perspective key points of control is firstly to check the supply and distribution chain and secondly, proactively search and track risk of manufacturing hubs. Other thing is leverage big data. On the online space, tracking of grey market is important. Pricing and discounting is the easiest way of slipping goods in the supply chain. Also, track other forms of brand dissolution. From reputation perspective one should ensure that programmatic ads are not placed on pirated, porn sites of their brand/product. We need to build a protection layer around our brand."



Build your brands 'moat' - Dvelop a Digital IP Health Index



Ms. Ulla Seiber

Trademark Manager - Legal Affairs
PUMA SE, Germany



port goods are heavily counterfeited, especially jerseys and shoes. During last Olympics, there were heavy seizures of our counterfeit products. European Union Intellectual Property Office in 2015 brought out a report reflecting counterfeits in footwear products costing \$43.3 billion loss every year and additional 500 million Euros loss to the sales of fake sports equipment and products annually. The challenge is huge, counterfeit industry cost

10% of the global trade. If we sum it up with G20 countries, we face approximately 2.5 million job losses. Counterfeiters matches the techniques adopted, they get better and find roads to come in the market, they also use transshipments and false invoices. In online counterfeit cases, we face lack of responsibilities from intermediaries. We can't prevent counterfeiting 100% but we should keep it at lower percentage and keep security features on our products so that it is easy to identify that whether it is genuine or counterfeit product. For example, in jerseys we use neck labels, but most important is security thread that we attach inside our jerseys and which is visible with a magnifying glass. 80% of counterfeited items are related to footwear and 15% to electronics. Puma does market surveys and finds key traders and then take criminal or civil actions against them. In 2016, we had approximately 4,384 cases in European Union.



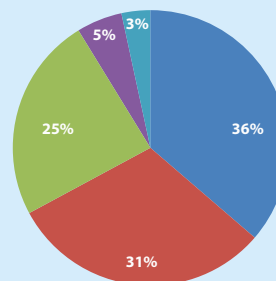
STATISTICS - offline 2016

● SEZURES (offline-global) in 2016 *

- Number of finished products seized (Apparel, Accessories and Footwear) :
3,320,498 pcs *

- LatAM: 1,045,933 pcs
- EU: 885,428 pcs
- Middle East: 701,374 pcs
- Africa: 152,459 pcs
- North Am: 90,276 pcs

■ LatAm ■ EU ■ Middle East ■ Africa ■ North Am



* Except APAC region.

* Please note that only finished products were taken into consideration as counterfeits in this report; the unfinished product and materials (e.g. labels, hangtags, pins etc) are not included. The materials will have resulted in a much bigger number of fake products.



Mr. Prashant Gupta

Country Head
Shriram Veritech Solutions










We are a socially responsible organization and serve customers with innovative techniques. Who all can affect the profitability of a brand? Brand owner, loyal customers, buyers who aspire to own a brand, and brand counterfeiters. How their motives are addressed: for brand owner it is the genuinity of their brand, for loyal customers it is to use branded products but the biggest challenge here is the quality of the product, for the third stakeholder who aspire to buy the brand has their limiting factors such as affordability, so they may buy counterfeits and last counterfeiters, they do not care about the quality of product but count on loyalty of the customers for sale. Four challenges for a brand are: sustaining customer's loyalty, perception in the market, competition in ever evolving business dynamics and counterfeiting and smuggling. Illicit trade can be fought by brand partners, solution providers and government agencies. Right solution partner must be selected on credibility, experience, innovation and applicability. Veritech is doing business from last 25 years and have presence in 75 countries. What Veritech offers: we have physical security that is holograms, anti-tamper labels, we also provide digital security along with supply chain tracking security which is through parent child relationship (audit and trail). We integrate hologram security with digital security which provides 360-degree security to supply chain. Brands need brand protection and consumers need brand assurance. These two aspects are very important and go hand in hand.

PROTECTING THE
BEST BRANDS



Digital Security

-  Track and Trace solutions with Parent-Child relationship (Audit Trail)
 -  Know where a unit is and where it has been
-  End User Authentication
 -  Peace of mind for End User
 -  Additional User data for Brands
-  Integrated Solution with Physical and Digital security
 -  Provides 360° protection

Mr. Sidhartha Gautam

*Director, Forensic Services
KPMG in India*

Organizations have evolved with technology and so have counterfeiters and smugglers. Distribution and packaging has become quite expensive for them so now they are taking advantage of weak supply chains of the brands. Counterfeiters have now found a new way of getting a cheaper product of a good brand and still make 50% to 60% of that product. This problem cannot be eradicated as it is a bailable offence. We need to choke the supply chain; it will have far reaching effect and is a better option than conducting raids. What is the use of huge budget in IP, it will be of use only if you do quality investigation and quality investigation means you actually go after the manufacturer. Let's not look at investigation as expenditure, let's look it as investment. Counterfeiters have evolved and will evolve and we have to deal with offline and online problems, and dark net. Counterfeiters do not have to bother to move the product to second location to third location, to assemble, to find a buyer, keep hiding from the investigating agencies, he does not have to worry now he has found the simple way. There should be strict guidelines as far as audit of a supply chain is concerned and all the brands must relook on how their products are destructed.

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MASCRADA 2017

MOVEMENT AGAINST SMUGGLING & COUNTERFEIT TRADE

9 SESSION

BUILDING COLLABORATIONS
WITH LAW ENFORCEMENT
AGENCIES – ELICITING
RESPONSES AGAINST
ILLICIT TRADE AND CROSS
BORDER ORGANIZED CRIME

Mr. Deep Chand

*Advisor, FICCI CASCADE and
Former Special Commissioner of Police, New Delhi*

Sale of counterfeit and smuggled goods continues to be a significant issue faced by consumers, governments and companies across sectors and throughout the world. Increasing use of internet, social media and online market places has further facilitated the counterfeiters to produce and sell goods with easy access to consumers across the globe. Similarly, smugglers have been able to push goods through international borders by land and sea routes without paying applicable duties and taxes despite the border checks and surveillance by the National Custom and Security Authorities. We must understand the seriousness of this menace. Illicit trade has three major challenges; one is health risk posed by such products for eg, counterfeiting of medicines, in certain regions of Africa and Latin America more than 30% of the medicines on sale are reportedly counterfeited. According to WHO, counterfeit medicines are set to be responsible for several thousand deaths every year. Second is the security challenge. According to UN Committee for the Prevention of Crime and Criminal Justice, illicit trade is the second source of financing criminal activities in the world. Many investigations have shown the vital role played by the sale of counterfeited and smuggled goods in financing terrorist organisations. And lastly there is financial stake both for the government and the businesses. To tackle this situation a concerted effort is required by the nations as well as the enforcement agencies and this calls for better coordination and cooperation among them. While there is an urgent need to raise the security at the maritime trade, ports and inland borders to check ingress of illicit goods; there is equal urgency to enforce the law against trading in such products. The role of law enforcement agencies such as cost guards, customs and civil police has become very important. Seizure of illicit goods and prosecution of those indulging in the trade of such goods has become imperative. Unless there is support and cooperation from the industry and consumers, prosecution agencies will not be able to succeed in getting desired punishments. We need to adopt new technologies and best practices to protect genuine goods and help in detection and seizure of such illegal products.



Ms. Sandra Wens

*Technical Expert / Combating Counterfeiting and Piracy
World Customs Organization (WCO), Brussels*

Production and sale of counterfeit goods is common in food products, drinks, clothes, hygiene products, cosmetics, medicines, etc. If you can make it, you can fake it. Due to the internet and development of e-commerce it has become much easier to trade in counterfeit and smuggled goods throughout the globe. Counterfeiting and smuggling causes serious impact on government revenues, threatens our health and safety and affects the brand reputation. Money earned through such illegal activities are used by the organized criminal groups and criminal entrepreneur to achieve their goals. In terms of law enforcement, this area is very complex. If there is no cooperation and coordination between law enforcement agencies and government than this crime will continue, as the risk is less and gains are high for criminal. WCO established IPR programme with the main objectives of capturing attention of customs officer and industries worldwide. We have to change our mentality, build capacity and raise awareness, so that there is no demand for such illicit products and in result there will be no counterfeiting and smuggling. We have to enhance cooperation and exchange information, in IPR enforcement, customs has a paramount role to play because of its power to detain goods on behalf of other authorities. Cooperation of brand owners is very crucial as they are in the best place to recognize their brand and give valuable information about supply chain. WCO IPR health and safety programme started with operational exercises. First one was conducted in 2008. It was to bring all stakeholders together. We found that every region has its own problem, so our approach varies from region to region. We conducted two large scale operations last year. First one was regarding illicit and counterfeit medicine; it took place in Africa with participation of 18 countries. Objective was to train custom officers, bring them in direct contact with right holders, develop coordination between customs of different countries, to explore latest trend and to look at how goods are moving worldwide. To conduct an operation, we first have workshops where we bring all the officers together with the right holders, associations & health authorities. Second operation focused on pharmaceuticals not only for humans but also veterinary products, health supplements, food stuffs and other goods that can jeopardize the health and safety of consumers. We found over 2 million counterfeit pills in transit. Customs can stop the goods but the health authorities decision is final. Therefore, it is necessary that other agencies should be made aware of the consequence of illicit and counterfeit goods. We also conducted WCO IPR operation in Asia Pacific region. There is one important message for customs officers: Consignments cannot be released on the premise of trade facilitation objective. We must change the paradigm and knowledge that there cannot be trade facilitation at the cost of security and safety. Trade facilitation is important but health, safety and security should be given priority.



Mr. Vivek Chaturvedi, IRS

*Additional Director General
Directorate of Revenue Intelligence*

Illicit trade impacts economy, causes loss of revenue to the government and at the same time the proceeds find ways through illicit banking channel of the hawala trade which is fueling the black economy. The impact upon industry is equally bad; it leads to reduce competitiveness of genuine manufacturers and importers. There is decrease in legitimate market size due to the availability of counterfeit goods which reduces profitability and investor's interest. Consumers get substandard goods, impacting their health and safety. We realized that as a cross border regulating agency we are dealing with unscrupulous trade which is fairly to push counterfeits and smuggled products in the commerce of the country and this trade vis-à-vis the genuine trade is at times more organized, more cunning, smarter may be a generation ahead in its tactics and the impact is both on genuine trade as well as on the consumers. Customs is the cross-border regulatory body which monitors the impact of goods; it is an enforcement agency which has lot of inbuilt safety provisions in the legal framework itself that safeguards the slightest misuse of the provisions by the customs officer. Customs is uniquely placed in forefront in terms of crime prevention. Indian customs entered twenty-seven separate custom mutual administrative agreements with varieties of countries. We have robust exchange of information with those partner countries bilaterally as well as multilaterally. India has been actively participating in the operations of WCO.



Impact of Illicit Trade

On Economy

Fuels Black Economy
and Tax Evasion

Loss of Revenue to
state

Illicit Banking
Channels

On Industry

Reduced
Competitiveness

Decreased market
size & profitability

Reduced Investment
sentiment

On Consumer

Sub standard goods
and counterfeits

Lack of quality
certification

Environmental and
Health hazard

IPR Violation Cases

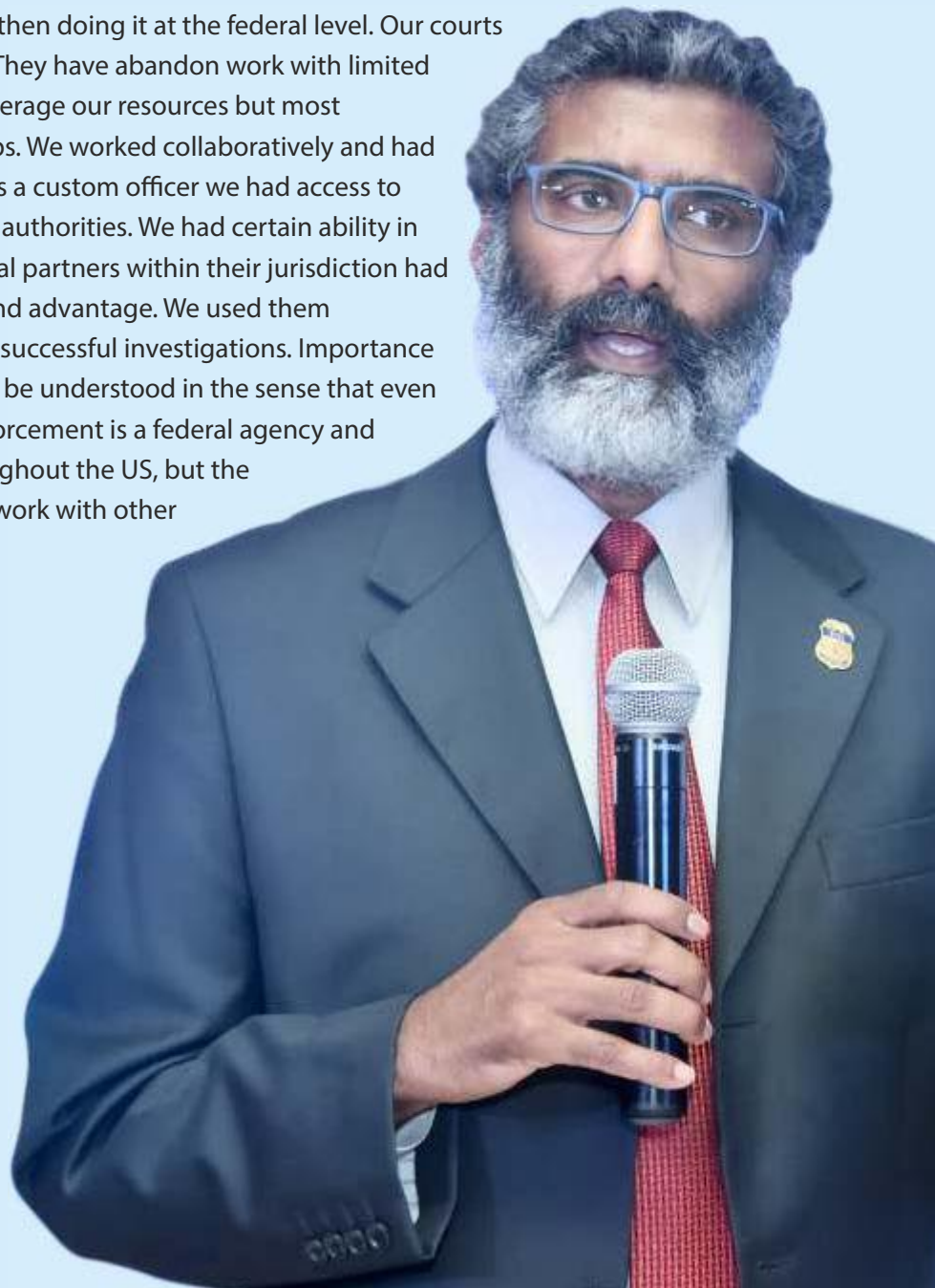
- Counterfeit cigarettes of reputed international brands like **Benson & Hedges, Marlboro Red, and Miramar** were seized
- Seizure of one largest consignments of counterfeit watches of international brands like **Casio, Rado, Longines, Nike, Adidas** etc.
- Seizure of export consignment of counterfeit gutka of **VIMAL** brand.



Mr. Udaykiran Devineni

*Acting Country Attaché
Department of Homeland Security-Homeland Security Investigations, US Embassy*

Challenges faced in curbing this evil is manpower, finance and allocating resources properly against a problem that never goes away. Arresting counterfeiters is like catching raindrops, no matter how many I caught, there will be still so many that I didn't catch. So, we found that the best way to approach this problem was to seek multi-agency collaboration. One of the reasons we focused on working with our local partners, local police departments and county police departments was that it was easier to make an arrest and prosecute the offender at the lower court level than doing it at the federal level. Our courts have same challenges as we do. They have abandon work with limited manpower and resources. We leverage our resources but most importantly we build partnerships. We worked collaboratively and had control of information because as a custom officer we had access to shipping data and border search authorities. We had certain ability in the law enforcement and our local partners within their jurisdiction had knowledge, manpower, access and advantage. We used them collaboratively which resulted in successful investigations. Importance of multi-agency cooperation can be understood in the sense that even though immigration custom enforcement is a federal agency and we had statutory authority throughout the US, but the States can't be covered until we work with other agencies.



Mr. Yash Pal Sharma

Regional Investigations Manager, Digital Crimes Unit
 CELA, Microsoft



A study done by IDC and the National University of Singapore talks about cyber security breaches and pirated software. 61% of the new PCs sold had pirated software and are infected with malware. An operation was conducted by Microsoft where 48 countries with 70 law organisations were involved. We found that the entire software lab was downloading our software and connecting it to a malware and then pushing it out as a legitimate product, people were using it and infecting their machines. Ultimately the game of the perpetrator was not to sell the counterfeit item but to gain knowledge of your data, steal it and use it in the dark net. Basically, a malware is a subset of a command control botnet operation. We started our operation from a small CD in China, studied it and learned how a malware code was written and how it was enabling the perpetrator to earn money to get in the illicit trade. Interestingly we were trying to see how they are injected in the software, but when we understood the dynamics, we created honey pots and installed that software, which gave us plenty of information. It took us 11 months of investigation and 13 months of engagement and finally we took down the command control center. Till now we have taken down around 16 botnets. Malware originated from Central Europe; we have got 63 million IP addresses from the botnet operations in different countries including India. And the number is still growing, that's the kind of penetration level a single pirated software has.







MASGRADE 2017

MOVEMENT AGAINST SMUGGLING & COUNTERFEIT TRADE

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DAY

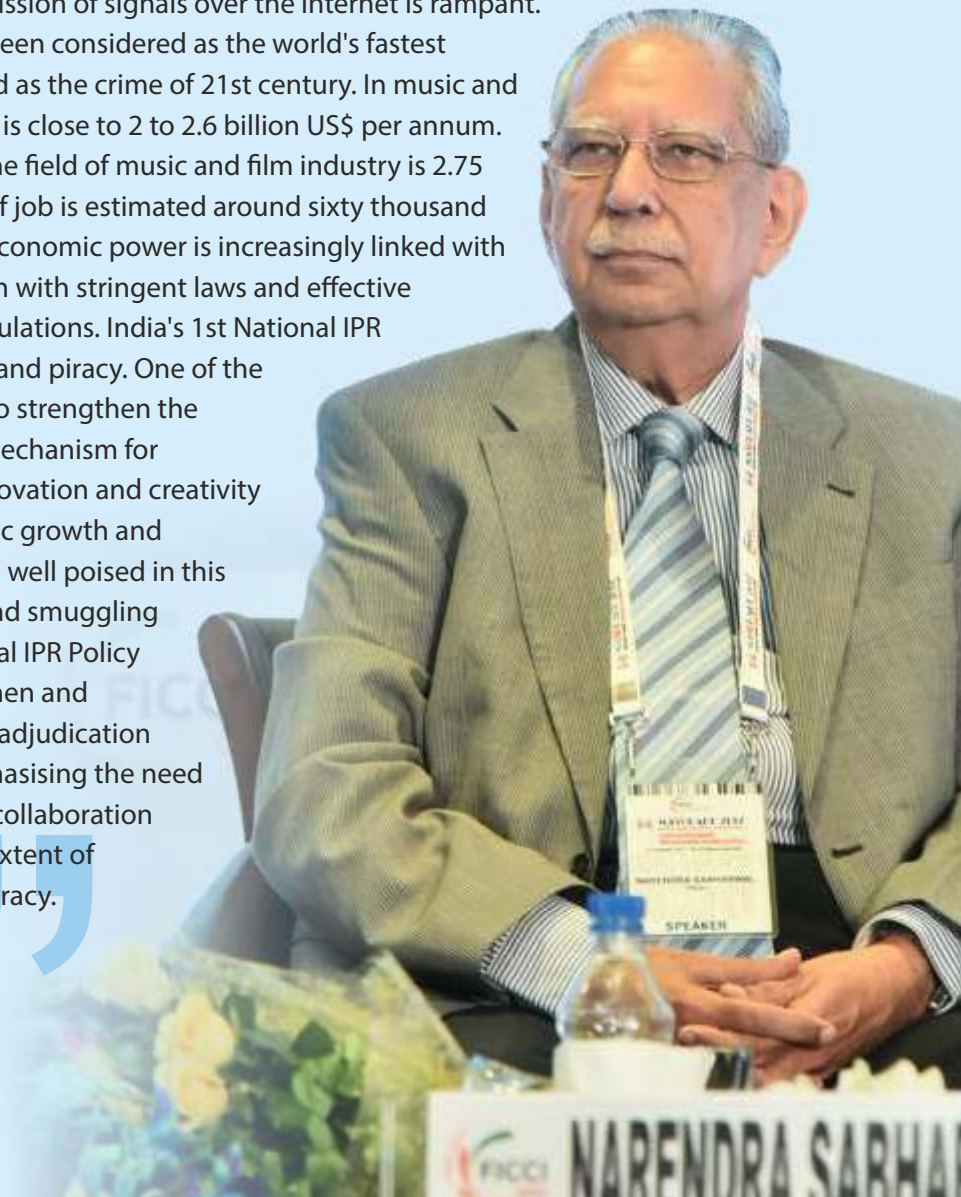
OPENING SESSION

Mr. Narendra Sabharwal

*Chair, FICCI IPR Committee and
Former Deputy Director General, WIPO*

It is widely recognised that IP related crimes particularly piracy, counterfeiting and smuggling have disastrous impact on global and national economies by adversely affecting legitimate and trading practices, employment and tax revenues. At the same time, they jeopardize consumer health and safety. Organised crime and terror organisations are known to have links with smugglers, counterfeiters and pirates. While smuggling, counterfeiting and piracy are endemic challenges, their recent scales and sophistication have exceeded all boundaries. This is largely because, the same technologies that have sponged legitimate commercial opportunities and revolutionised business practices have also fuelled and accelerated IP thefts.

Piracy has led to loss of billions in music and film industry. In the field of broadcasting, signal theft and unauthorised retransmission of signals over the internet is rampant. Counterfeiting and piracy have been considered as the world's fastest growing industries and is labelled as the crime of 21st century. In music and film industry, revenue generated is close to 2 to 2.6 billion US\$ per annum. The losses because of piracy in the field of music and film industry is 2.75 billion US\$ per annum and loss of job is estimated around sixty thousand per year. India's role as a global economic power is increasingly linked with its ability to ensure IPR protection with stringent laws and effective enforcement of IPR rules and regulations. India's 1st National IPR Policy focuses on counterfeiting and piracy. One of the main objectives of this policy is to strengthen the enforcement and adjudicatory mechanism for combating IPR infringement. Innovation and creativity are keys determinant of economic growth and sustainability of business. India is well poised in this area but counterfeiting, piracy and smuggling pose a serious threat. The National IPR Policy prescribes a roadmap to strengthen and streamline the enforcement and adjudication system in India particularly emphasising the need to initiate fact finding studies in collaboration with stakeholders to assess the extent of counterfeiting, smuggling and piracy.



Mr. D.P. Dash, IRS

*Director General
 Directorate of Revenue Intelligence*

Government of India is committed to increase the ease of doing business so that it can provide a good platform, a congenial atmosphere for business investment, employment and economic growth of the country. With such massive land and coastline and small resource that Central Board of Excise and Customs has at disposal, it's very difficult to be the physical guardian of economic frontiers but we need to evolve in a different manner and find different strategies to combat illicit trade. Indian Customs went for fully automated cargo clearance system of all forms. Also, we introduced Risk Management System which is a dynamic concept. India is emerging as a fast-growing world economy with increasing challenges of smuggling, counterfeiting and piracy. Therefore, it is necessary for Indian customs to maintain a balance between trade facilitation and enforcement. Indian customs joined WCO and Interpol in conducting some of the international initiative. We had operation PANJIA on medicine and RANAGATE of WCO which was primarily for spare parts. India has been an active participant in such initiatives not only in contributing to Intellectual Policy but also acting as the guardian at the international borders. We need to set up International Index of smuggling, piracy and counterfeiting, secondly, within the domestic world, there is a need to have constant and continuous process of sensitising and capacity building at the grass root level and to be tuned with transfer policy departments. Lastly, we need to improve the value system and take the responsibility to protect our brand not only in domestic world but also globally.



Mr. Sushil Satpute

Director

Department of Industrial Policy and Promotion (DIPP), Govt. of India

DIPP has been dealing with counterfeiting through Trademark law and piracy through Copyright law. We need to combat the theft in digital world, there is fine line between inspiring and copying which is often crossed and is a matter of concern.

Copyright is an essential tool for an artist as it protects his creations and career. Copyright in digital age is spread over a wide arena. Copyright Act was amended in 2012 and certain provisions were included in this Act which is in compliance with WIPO Copyright Treaty (WCT) and WIPO Performances and Phonograms Treaty (WPPT). In digital space, signals are pirated; they are prone to theft at each and every stage of its transmission. In today's scenario, risk of content theft from storage medium is lesser in comparison to the modes of transmission like broadcasting or internet. Music and film industry is a digital industry with 65% of revenue coming from the digital use of music. Indian media and entertainment industry generates 0.9% of India's GDP. Similarly, according to Digital India Foundation there is a greater opportunity for growth in this sector and have forecasted that it has the potential to be a 100 Billion USD industry in next decade and adding 3 million jobs by 2030. Copyright related industry effects much more life than any other IPR because of its greater reach. Indian Copyright Act protects both Indian and Foreign work in Indian territory but there is need that Indian work is to be protected in foreign territory also. Digital initiative will lead to greater dissemination of work to public. We are doing number of awareness building activities on IPRs training sessions, special workshops for the enforcement agencies and legal fraternity.





MASCRADA 2017

MOVEMENT AGAINST SMUGGLING & COUNTERFEIT TRADE

4 SESSION

COMBATING CONTENT
THEFT IN THE DIGITAL
WORLD – STRATEGIES
AND SOLUTIONS

Mr. M M Oberoi, IPS

*Joint Commissioner of Police, Special Cell
Delhi Police*

In the digital space, there is anonymity or lack of attribution, its reach in terms of connecting various actors involved in cyber space is huge, outsourcing expertise is available to different actors and collaboration amongst criminals is a big concern.

The problem is getting compounded by some of the technical developments in digital space like emergence of dark net in form of free net, torrent which is also getting further compounded by the widespread use of crypto currency like bit-coins.

Most of the efforts of industries and law enforcement agencies are focused on building defensive steps whereas to combat illicit trade we need to build credible deterrence. Level of deterrence in India can be estimated by the annual report of Computer Emergency Response Team which projected 1,31,000 cyber security incidents in 2015. National Crime Record Bureau brought its report in 2015 stating that all State and Union Territories Police agencies registered 11,000 cases of cybercrimes covered under IPC and IT Act with conviction rate of 1.78%. Challenges faced here are lack of attribution in cyber space and availability of actionable intelligence and low capacity of various regulatory and law enforcement agencies to combat cybercrime.

We need multi stakeholder platform for building actionable intelligence, developing capacity of law enforcement agencies and providing forensic and research support to law enforcement agencies.



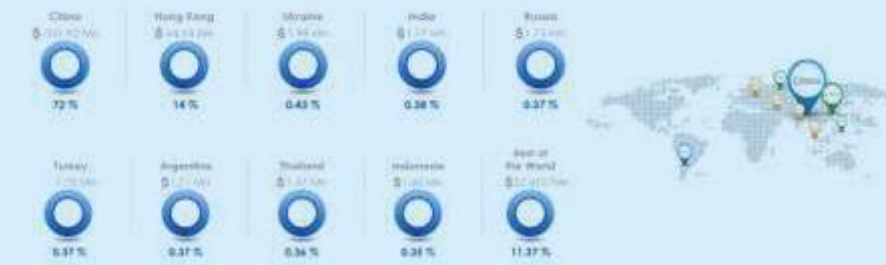
Mr. Dewaker Mahendru

AVP - Solutions Business
HOLOSTIK Group



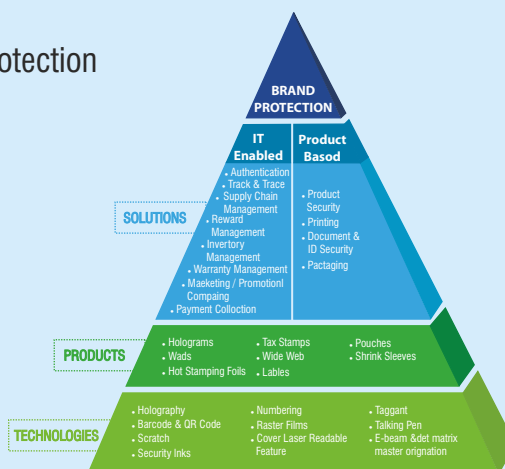
20% of the products are getting counterfeited at distributor and dealer level because they can't distinguish between fake and original products. Around 72% of counterfeited products are coming from China, Ukraine, Hongkong and even from India and Russia. The need of the hour is consumer awareness to curb the hazards posed by curbing counterfeiting and smuggling. Increased engagement of customs and police authorities is required to take requisite actions against counterfeiters and smugglers. All information should be available at the real-time basis. We provide seal of genuineness which includes holography plus digital security, we are trying to create more complexity in the product so as it is difficult to be duplicated. Education and infrastructure is available, we are offering 3D QR code which can be authenticated with mobile phone application.

Counterfeiting - The Socia- Economic Devil



Source: (1) Euromonitor International, (2) Euromonitor International, (3) Euromonitor International, (4) Euromonitor International, (5) Euromonitor International, (6) Euromonitor International, (7) Euromonitor International, (8) Euromonitor International, (9) Euromonitor International, (10) Euromonitor International

Brand Protection

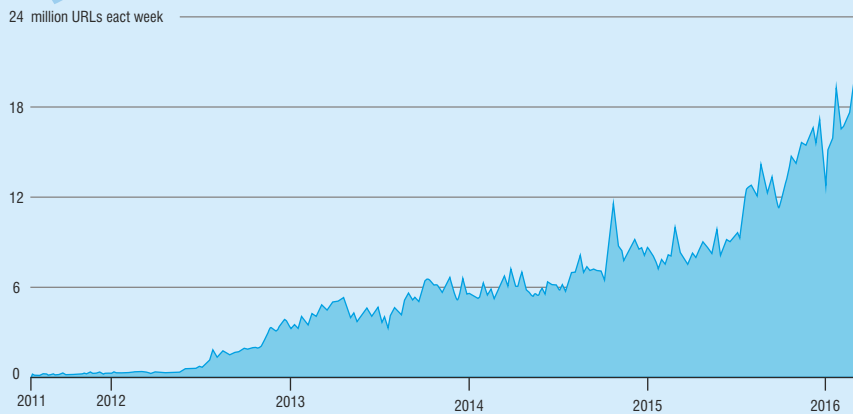


The Seal of Genuineness **YOUR AUTHENTICATION SOLUTIONS PARTNER**

Mr. Sanjay Kaushik

*Managing Director
Netrika Consulting India Pvt. Ltd.*

The number of requests to remove links to copyrighted materials has exploded from a few hundred thousand web addresses each week in 2011 to more than 20 million a week, according to Google data. The number of site takedowns and illegitimate sites is massive, it is increasing day by day. Some people are using basic tools and applications to sell their illegitimate content, like WhatsApp groups, Facebook, Twitter, Instagram and other social media channels. How they operate, where they store and how many levels of layers are there to track down such counterfeiters and smugglers is very difficult and time consuming process. Smugglers and counterfeiters are very smart; they are using strategies to avoid every possible way of detection or any kind of legal action against them. We need to build capacity, enlighten the society and seek information from the industry to eliminate these unscrupulous elements.



Ms. Lohita Sujith

*Director - Corporate Communications
Motion Picture Association – India*

We are going through great convergence in India. Connected digital society provides opportunity, eases work and makes you more productive. For creative industry, it is still a mystery as far as content theft is concerned. Pirate sites gives same experience; same content and can be accessed on mobile applications. There is no free lunch so if you are getting something free, there is risk attached to it. They don't pay tax and it is also very easy to indulge in such practices and thus they are proliferating. India stands eleventh in terms of downloading illegitimate contents. Cross industry collaboration is must to curb this menace. We have identified our pipelines, it is very important to address hosting providers, we also look at payment gateways and work with domain name registry. We believe that when we work with government and stakeholders to bring down hosting providers we immediately see a decline in demand as far as cyber locus are concerned. A simple solution to this problem is site blocking which is nothing but various mechanisms to bring down the sites. We hope that India will implement administrative site blocking soon. It is an effective measure, in South Korea it resulted in immediate 90% decline and 74% in Portugal. We have a refusal programme where we work with payment gateways and once we give them the list of infringing sites, they stop supporting them and dismantles their business and is extremely effective. We have successfully implemented two crime units, one in Telangana and another in Maharashtra. We should collaborate and come up with strategies to counter the illegitimate business which is striving to create revenues for themselves through these infringing website.



Mr. Abhishek Dhoreliya

CEO
MarkScan

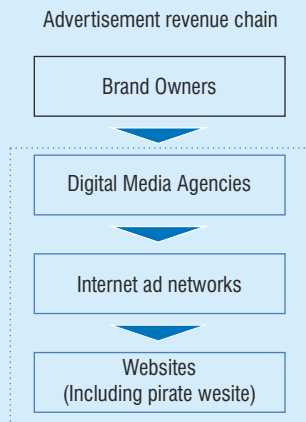
Pirates earn revenue primarily from advertisement on the brand owner's website & applications. Due to the lack of check and balance mechanisms where exactly these ads are landing up is a bit of mystery for brand owners. Most of the pirate servers appear to be based in US & Europe very few use country specific domains. UK & USA have taken the lead in denying advertising funds to pirates. Most of the enforcement initiatives comes into place only when government plays an active role in it whether directly or indirectly, setting up specialised body which takes the lead on such initiative. Voluntary initiative many a time does not come into picture because of conflict of interests. Globally enforcement measures are mostly government led to deter supply as well as demand of pirated content. PIPCU, is a specialised police setup within London Metropolitan Police, focused on digital crime. TAG (Trustworthy Accountability Group), which is a body setup in US voluntarily between media agencies and content owners to stop the money flowing into these pirated websites. Enforcement in India is not a federal subject but a state subject. Initiatives are being pursued at state level. Government of India launched CIPAM under the DIPP to implement the National IPR Policy. Given the jurisdictional issues there going to be a lot of global coordination on such account and therefore CIPAM has a very active role to play to consolidate state wise enforcement initiatives and act as a nodal body when coordinating with Interpol.



Why does piracy happen?

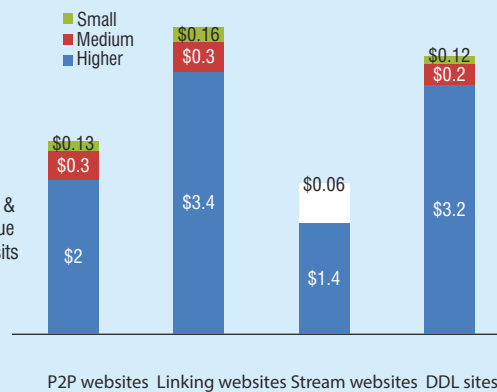
Pirates make money primarily from advertisement on their websites & app...

... They make significant amount of advertisement money



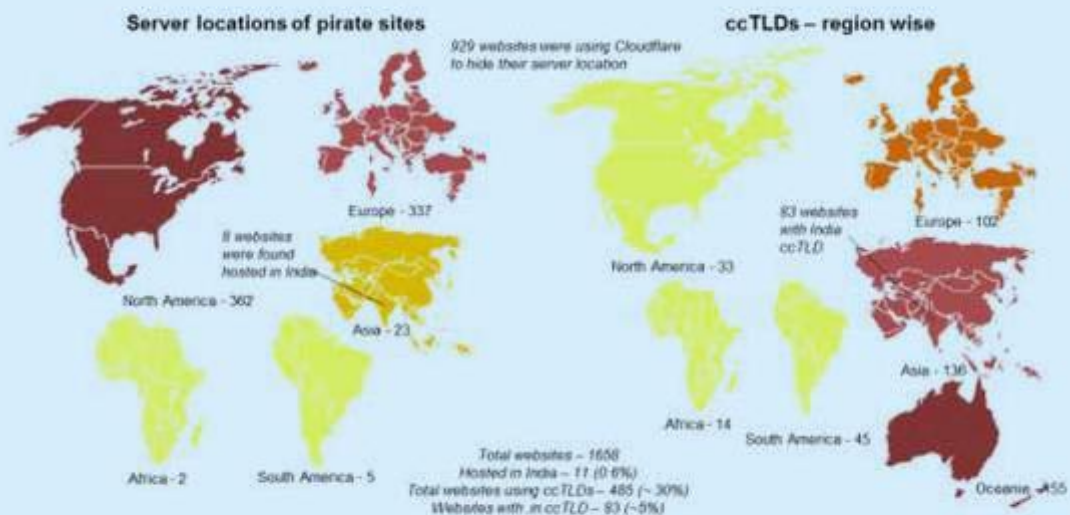
Lack of processes & filters for ad revenue from dubious websites

Yearly Ads Revenue (\$ Mn) - by Pirate Websites



Note.: All the revenue data Collected from research paper "Badvertising" by Veri-Site in 2017

Most of the pirate servers appear to be based in US & Europe (probably masked); very few use country specific domains



Note: All these details are basis on WHOIS services provided by third party platforms





MASCRADA 2017

MOVEMENT AGAINST SMUGGLING & COUNTERFEIT TRADE

5 SESSION

SENIOR LEADERSHIP
DISCUSSION: ASSESS YOUR
ANTI- COUNTERFEITING,
ANTI-SMUGGLING & BRAND
PROTECTION ACTIVITIES
AND DETERMINE
THEIR BUSINESS WORTH

Mr. Ravi Mathur

*Chief Executive Officer
GS1 India, Under Ministry of Commerce, Govt. of India*



GS1 India is a standard body and was setup by Ministry of Commerce and Industry.

Anti-counterfeit strategy is a multi-layered approach to secure the product and packaging, movement of products through the supply chain and business transactions. It helps in maintaining universal and uniform electronic pedigree across all supply chain stakeholders to ensure appropriate regulations and enforcement, increase penalties, heighten vigilance, awareness and enhance international collaborations. The introduction of a unique identification for products will enable authentication and traceability systems which will increase difficulty for counterfeiters to intrude into legitimate supply chain.

Adoption of anti-counterfeit technologies will enable product authentication at packaging level. Implementation of Traceability system will enhance visibility across supply chains and global engagement among regulators, standards body, industry and other supply chain stakeholders will ensure safe trade across borders. There are various extrinsic, intrinsic and hybrid authentication tools available like overt and cover technology, bar codes etc.

At the global level, we are working at a repository of all retail items in the world so as consumers scans the barcode of any product and get all related information about the product, this access will be given through cloud. Information coming on cloud comes directly from the brand owners. We have also worked with the Department of Consumer Affairs in India and released Smart Consumer App, to fetch information of products from brand owners and consumer can provide reviews and feedbacks through the app. It helps consumer to authenticate what they are consuming is original or not.



Authentication Technologies

Extrinsic Authentication Tools

Added for the primary purpose of authentication

Sensory tools

- Overt
- Covert
- Forensic (analysis)

Digital tools

- Serialization
- Bar Codes

Intrinsic Authentication Tools

Functional or aesthetic elements of the product *not primarily* intended for authentication

Could include:

- Specific materials
- Unique construction features
- Stitching

Hybrid Authentication

Combination of Digital & Sensory and / or intrinsic & Extrinsic tools for enhanced brand protection purposes

Could include:

- Bar Code + forensic feature embedded in bar code or on / in the product or packaging
- Bar Code + Overt seal, label or hologram
- Bar Code + Intrinsic feature + Covert mark
- Bar Code + Covert feature

Key implementations – all stakeholders

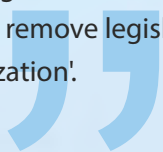


Mr. Dev Bajpai

*Executive Director (Legal and Corporate Affairs)
Hindustan Unilever Ltd.*

The problems of counterfeiting and smuggling have grown widespread. However, people are now more acquainted with the problem and there are various solution providers to curb illicit trade. There are four types of counterfeiting or unfair competition: firstly, domestic counterfeiting which is within the country at different markets and includes pass-off and look-alikes; secondly, counterfeit goods coming from across the borders, predominantly from China, countries of South-East Asia and from neighbours like Nepal; thirdly, leakages from packaging suppliers and fourthly, e-commerce counterfeiting which is a new phenomenon. Domestic counterfeiting is a big problem and is dependent upon number of factors including engagement with technologies, low investments which gives no deterrence to enter the market and if the raw material prices comes down then players in markets start mushrooming and out of them maximum are counterfeiters. The major challenges which come while dealing with the menace of counterfeiting or smuggling is lack of awareness, less focus on developing a culture where one respects his own IPR and its enforcement is not a priority for the regulators as well as for industry members.

HUL has articulated its vision and purpose keeping in mind consumer and customer, which is one of the key pillars. Hence, accordingly a holistic strategy has been adopted for dealing with counterfeiters. Some of the elements of our strategy are internal capacity building and study of business model of counterfeiters which includes investigation. We are focusing on value impact rather than numbers of action, awareness programme for stakeholders was recommended which was later accepted in National Policy on IPR. We are also working with consumer organizations, industry and government to remove legislative hurdles and have formed 'Sale-Sellers Authorization'.



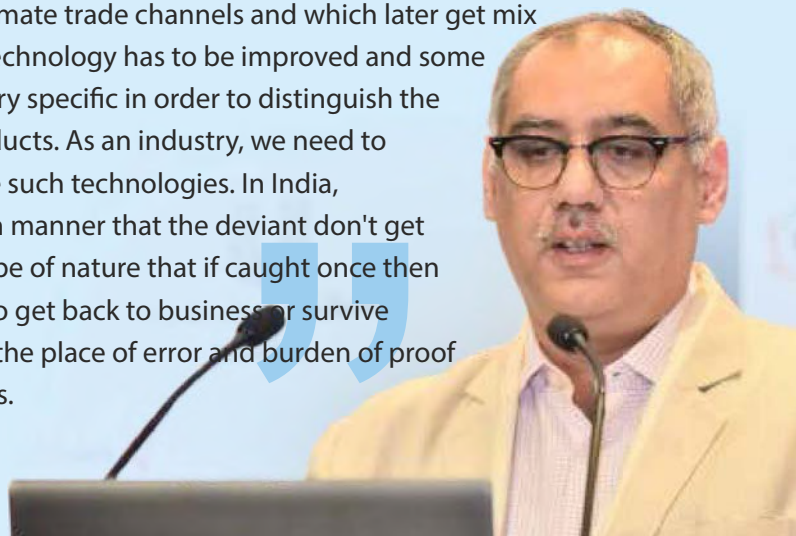
Mr. Sandeep Kaul

*Divisional Chief Executive, India Tobacco Division
ITC Ltd*

The menace of counterfeiting and smuggling is not just a business problem but has become a societal problem. It happens in shadow and as a result it has become a challenge to the world. It impacts jobs, regulations, safety, health and lives of the people. As these products operate outside the ambit of law and the avoidance of the law of land could lead to be avoidance of food safety and legal meteorology. Therefore, these products by and large operates in the subterranean zone and do not comply with any laws of the land. Hence, while looking at the general discourse of the subject, we have to look at socio impact of this issue. Terrorist and criminal organizations have stakes in large smuggling operations.

According to the World Economic Forum, the value of illicit trade has crossed 650 Billion US \$. WHO and Interpol reports states that 50% of the medication for malaria and 10% for TB are fake which leads to casualties. An OECD Report states that 25% of alcohol consumption is from illegal sources. Illicit economy represents 15% of the World's GDP and this represents the scale of the problem. The whole system whether it is an industry, regulators, law enforcements/ legislative / judicial apparatus all have to be conscious and continue fighting this menace which has grown at tremendous scale. The penetration of illicit markets in India is as high as 21-22% and according to Euro-Monitor Report, India remains fourth largest illicit market of cigarettes in the world. The total values stand for fifteen thousand crores in India itself.

Three pillars to this enormous problem are: Disincentivization, Discovery and Deterrence. Disincentivization is working with policy makers to address the causative factors as much as possible. Fundamentally, it is an arbitrage opportunity that a set of illegitimate or illegal operators try to use to create disproportionate profit for them at the cost of society. The answer to how to discover whether such things exist or not, is that it can happen through intelligence. In terms of counterfeit products, they are distributed across small towns, remote areas and places which are not accessible. The counterfeit and smuggled products find a way to penetrate in legitimate trade channels and which later get mix with the legitimate products. Technology has to be improved and some technologies need to be industry specific in order to distinguish the legitimate and illegitimate products. As an industry, we need to cooperate much more to create such technologies. In India, execution of existing laws are in manner that the deviant don't get deterred. The deterrence must be of nature that if caught once then they should find it impossible to get back to business or survive again. Action must be taken at the place of error and burden of proof must be shifted to the offenders.



Mr. Ranjan Narula

*Managing Partner
RNA IP Attorneys*

As the world is becoming flat, the movement of goods must be eased by the Government. There is a provision in Trademark Act, which states that once a Trademark owner or brand owner has sold his goods thereafter his control over the goods should be minimized, he cannot interfere in further sale of goods but the issue is whether the restriction should be applied in a country of sale or internationally. There are two aspects: Rights of Trademark owners are exhausted and whether that exhaustion should lead down to national exhaustion. The Delhi High Court in one of its judgment held that it has to be national exhaustion but the same was reversed by Divisional Bench and the case is now pending in Apex Court. When it comes to parallel import then custom is the first point of entry. If the nature or character of the goods changes in any manner, then circulation of parallel import in the markets can be stopped. Packaging, marketing and advertisements influence the character of the goods, by developing intelligence, working with courts one can still address this problem.

Cloud is becoming a big problem at least for software piracy; people are developing pirated software on the cloud and thereafter distributing them by providing server access to the people with dynamic IP, thus the location of software is difficult to be detected. Google drive and Dropbox is also being used to upload software. Social media is facilitating circulation of counterfeiting and smuggled goods. Job scam issue is another big problem faced by many people these days. Internet is providing anonymity to create fake websites with some sort of legitimate domain name, thus, there is a need to strengthen the due diligence to counter this menace.



Mr. Ramashankar Pandey

Managing Director
Hella India Lighting Ltd.

A total of 5.01 lakh traffic accidents were reported in India in 2015 in which 1.46 lakh people were killed. In ACMA, we have started a new campaign under the name ACMA Safer Drives and have made an exhaustive programme.

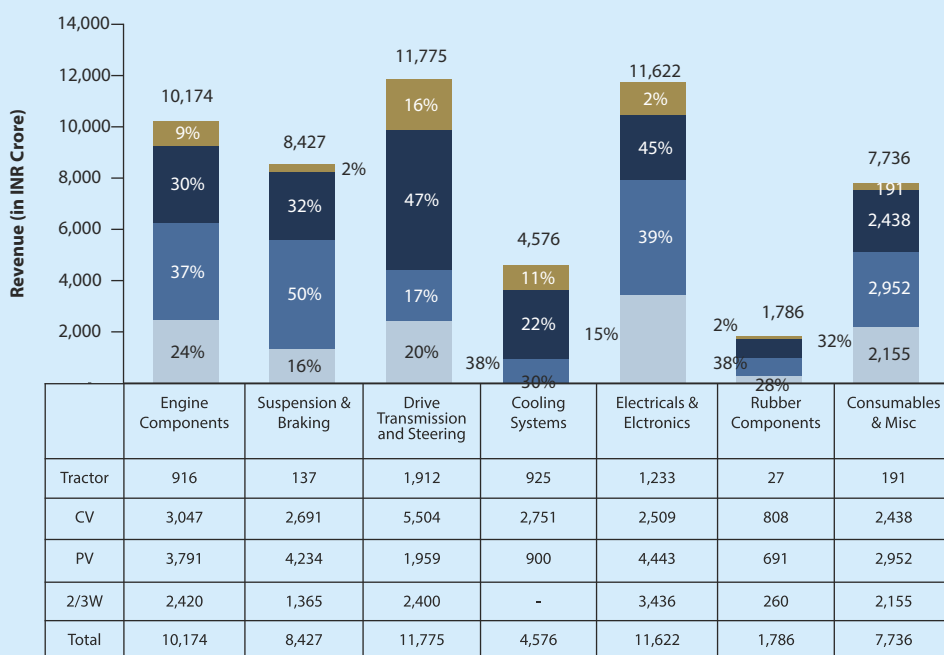
4 E's of Road Safety are mandatory: Enforcement, Education, Engineering & E Care. We must encourage technology & cost innovation for safety critical components like safety glass, brake hose, horns, tyres, CNG regulator, bulbs, LPG vaporiser, etc. Industry is plagued by menace of counterfeit/ sub-standard parts being sold in aftermarket. The import of auto components is consistently increasing. We need to enforce standards on aftermarket parts, ensure compliance in aftermarket trade and train & certify technicians. According to ACMA Aftermarket Study, the Indian automotive component sector is today a USD 39 billion industry, contributing around 4% to India's GDP.



Component Aftermarket Potential 2016-17 - By Segment

The Aftermarket Component Potential in 2016-17 is estimated at INR 56,098 Crore

Aftermarket Component Potential in 2016-17



Note: Potential is calculated for select components only Source: Frost & Sullivan





MASGRADE 2017

MOVEMENT AGAINST SMUGGLING & COUNTERFEIT TRADE

Conclusion & Way Forward

Mr. Sumantra Mukherjee

*Director, Forensic Services
KPMG in India*

The menace of counterfeiting and smuggling contributes to socio-economic factors globally. Over the next 7-9 years, the global trade of counterfeiting or illicit trade is expected to grow by 108%. This implies that each year there will be growth of 10-15%. By 2022, it is estimated that the trade value of illicit trade would be 2.8 trillion USD. The magnitude of this amount can be seen by looking at GDP of India which was 2.2 trillion USD in 2016. India has seen the alarming growth in this area. The factors contributing to the illicit markets are top revenue earners or illicit earners like tobacco, cigarettes, electronic items, old machinery, and auto parts. These items are consumed or used daily. The reason why end consumers buy counterfeit or smuggled products is that the consumers often look for cheap alternative sources to address their need. Therefore, the source of problem is people themselves as they are contributing in the growth of the market. The government, industry, corporate, enforcement agencies are doing a lot many things but unfortunately it is not leading to the reduction in the total value of counterfeits and smuggled products.

In India, counterfeit and smuggled products grew from 15% to 21% over the period of 5 years and the production of cigarettes have gone down because of increase in taxes on cigarettes but the consumption has increased. So, if production is reduced or remain stagnant and the consumption is increased that means there are channels which are illicit in nature contributing to this additional consumption. In India, loss to the government and industry in grey market, from 2012 to 2014 in many sectors have witnessed growth of three to four times. The components which are being seen here are revenue loss of the corporate and that of the government but the elements which are being ignored, from the consumer angle, are the counterfeit products which affect the health of the consumer as safety standards are not followed. The consumers tend to buy counterfeit products thinking that they are saving 20-25% of their monthly budget but this end up causing harm to them and hence increase on their medical expenses. The increase in tax on a product lead to increase in smuggling and funding of terrorism. The most important solution to the problem is consumer awareness apart from balance of taxation policies, creating special task forces and enforcement of laws.



Article



Anil Rajput
Chairman
FICCI CASCADE

SMUGGLING: AN INCREASING SOCIO-ECONOMIC BANE

India currently is at the world's spotlight, with a strong growth trajectory forecasted for 2017-2018, making it the world's most dynamic economy. To emerge as an economic powerhouse, the country's fulcrum beyond doubt has to be the manufacturing sector. With the thrust on "Make in India" products; technology, invention, and innovation will play a key role in the country's economic development. On one hand, while we have attracted the world's attention, we have also become victims of a dangerous threat in the form of counterfeiting, contraband and smuggling. This is an enduring problem that impacts industries, consumers, government and economies as a whole. This market for smuggled, counterfeit and contraband products is spreading its tentacles and is indeed one of the biggest challenges faced by the Indian industry.

In the past as well, India had waged a long but successful war against the tyranny of the British that eventually gave us freedom in 1947. However, the overall damage was immense. The economic plunder of India could not have been summed up any better, than by MP Dr. Shashi Tharoor in a recently published book, where he says "What had once been the richest and most industrialised economies of the world, which together with China accounted for almost 75% of the world industrial output in 1750, had been reduced by the depredations of Imperial rule to one of the poorest, most backward, illiterate and diseased societies on Earth by the time of independence in 1947"

The main reason for this was that by 1947, value addition was not taking place in India. Today, we are witnessing a trend where a bulk of brands in India are foreign.

Globalization, in the recent past has made the world smaller

with internet and e-commerce posing new challenges by the day. The Indian economy too has opened up over the past 25 odd years with plenty of global brands but an acute shortage of domestic brands.

If we see all around, the aspiration of the Indian's has always been for foreign products, with the result that more and more people want to buy these items. However, these foreign products that are available with full duty paid, are extremely expensive. This is a double whammy for the Indian economy. First, goods manufactured in India lose their market share and are unable to realise their true potential and secondly, the anti-social elements take the arbitrage opportunity to pursue their evil agenda which is clearly not aligned with our national interests.

Recently, the government of India cracked down on Hawala transactions, its linkages with terrorism, when the National Investigating Agency (NIA), arrested many perpetrators who were till recently moving around with impunity. While, this is laudable, it still stands out as a one-off step. It is a fact that today, illicit trade is flourishing in leaps and bounds.

Evidently, activities involving illegal trade such as smuggling of goods across borders are becoming lucrative business, with criminals relying on the continued high demand for cheap goods coupled with low production and distribution costs. The illegal activities related to smuggling take advantage of unaware consumers and bargain-hunters, exploiting people's appetites for brands or simply their financial situation. The criminal networks behind this operate across national borders in activities that include the manufacture, export, import and distribution of illicit goods.

In India, the estimated loss to 7 sectors of the economy namely Tobacco, FMCG (personal and packaged goods), Alcohol, Mobile phones, Automobile parts and Computer hardware is a shocking Rs 105,381 crores between 2012-2014, while the loss of revenue for the government stood at Rs 39,239 crores for the same period. According to the estimates of the Directorate of Revenue Intelligence, the extent of smuggling in India is maximum for cigarettes, gold, machinery parts, electronic items along with fabric and silk yarn.

In an increasingly globalised and interconnected world we need to rethink our approach in addressing this issue. Over the years, several initiatives, collaborations, stakeholder consultations, policy and legislative work has been done to curb this threat. Industry, policy makers and enforcement agencies have come together through effective public-private partnerships, to meet the governance and security challenges posed by illicit trade that threaten the prosperity of our economies and integrity of our markets and the health and safety of our people.

However, it is imperative now that the entire subject of smuggling is dealt with an iron fist. The industry too has to take steps to strengthen the hands of the policy makers with all its might. This will ensure the creation of national wealth whose fruits can be reaped by the poorest of the country, rather than remaining in the hands of a small community of anti-national elements.

Shatrughan Sinha joins hands with FICCI CASCADE to stop counterfeiting, smuggling and piracy



Kicks-off a new campaign urging consumers not to say 'Khamosh' to illicit trade

Mr. Shatrughan Sinha, Member of Parliament, Lok Sabha during MASCRAGE 2017 also released a video jingle of FICCI CASCADE- 'Shapat (Oath)' to create responsiveness amongst the Indian citizens to say NO to Counterfeit, Smuggled and Pirated products. He pledges consumers to be genuine and buy genuine products. In the video Mr. Sinha is urging consumers not to stay quiet and take a step towards stopping illicit trade by asking for original products and bills for every purchase done by consumers for an awareness campaign against illicit trade.

The video jingle emphasizes on the need to stop buying counterfeit, smuggled and pirated goods and build mass awareness on eradicating this menace. Moreover, this initiative will not only boost Indian economy but will also create a sustainable socio-cultural ecosystem in the country. The video reminds consumers that on every purchase of a fake product, somehow, they are indirectly encouraging illicit trade which is against the Indian Government law.

Video Link: <https://www.youtube.com/watch?v=4cdeVpP78EU>



Illicit trade: Fueling terror financing and organised crime



October 2017

KPMG.com/in

Report

Illicit trade: Fuelling Terror Financing and Organised Crime

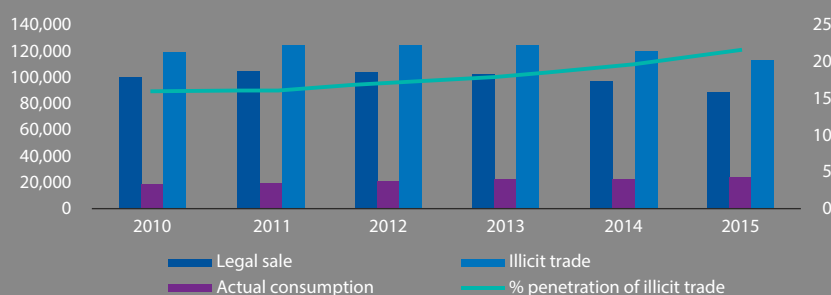
During MASGRADE 2017 a KPMG study commissioned by FICCI CASCADE was released under the title *Illicit Trade: Fueling Terror Financing and Organized Crime*. As per the report, India ranks third in the list of countries most-affected by terrorist activities in 2016, with the first and second positions occupied by Iraq and Afghanistan respectively.

The report cites data of US Homeland Security and highlights that the number of terrorist activities in India increased to a total of 927 in 2016 from 798 in 2015, showing an alarming increase of approximately 16 per cent. While, India's neighbour Pakistan has slipped down by a position from 2015 to occupy fourth position in the 2016 report. A number of nations such as Afghanistan, Pakistan, Nigeria and Yemen on the other hand witnessed lesser number of terrorist activities in 2016, compared to 2015. Further, Iraq, Afghanistan, Pakistan, India and Nigeria accounted for nearly 55% the global terrorist attacks in 2015. Nearly 75 per cent of all deaths in 2016 due to terrorist attacks took place in five countries (Iraq, Afghanistan, Nigeria, Syria, and Pakistan).

Globally, counterfeiting, or the manufacture of fake goods, and smuggling are the second largest source of income for criminal activities including terrorism. Prominent terrorist organisations such as Hezbollah, Lashkar-e-Taiba, Al Qaida, Irish Republican Army, etc. rely on illicit trade for financing up to 20% of terror operations.

The existence and operation of illicit trade vis-à-vis counterfeiting and smuggling has been an enduring problem that has escalated in scope and magnitude, impacting industries, government, economies and, the health and safety of the consumers. Smuggling, especially, has been a point of concern for Indian administration for the past many decades, with narcotic drugs, gold and cigarettes accounting for the major smuggled goods. As per the Directorate of Revenue Intelligence (DRI), the value of seizures for gold and cigarettes in the year 2016-17 stood at INR 435 crore and INR 78 crore respectively and the seizure value for narcotic drugs in 2016-17 stood at INR 4885 crore, thus suggesting the large magnitude of smuggling industry in India.

Figure 19: Illicit trade estimate of cigarettes: Volume 2010-2015



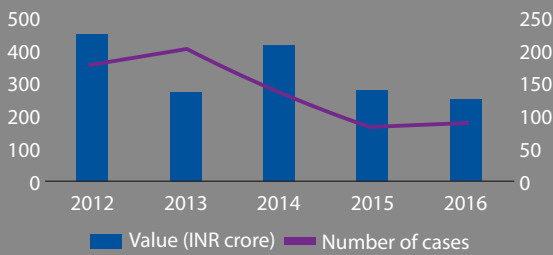
Source: *Tobacco in India, Industry overview, Euromonitor International, 2016*

As per various law enforcement agencies, sophisticated anti-smuggling devices have been installed at airports and seaports to check and scan various containers and shipments entering the country. However, it seems to have had little effect with smugglers finding interesting ways to continue their nefarious activities, especially with large and porous land borders.

The seizures in the recent past are only the tip of the iceberg of a much larger and threatening operation in the country. For every seized consignment, there are a large number of consignments that escape surveillance and find their way into the market. The Indian industry and the enforcement agencies have to work together to curb the menace of illicit trade in the country.

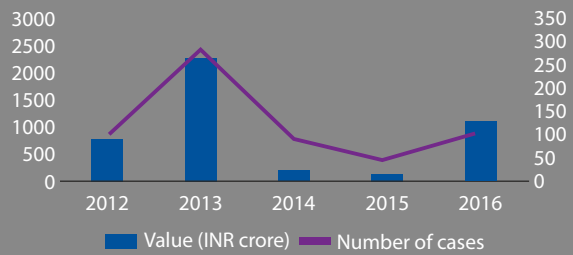
In India, smuggling takes in the form of mis-declaration, undervaluation, misuse of end-use and other means. In 2016, the seizure value for mis-declared goods stood at INR 1,187 crore, while that of undervaluation of goods stood at INR 254 crore. The seizure value from misuse of end use was at INR 2,780 crore, seeing a rise from INR 953 crore in 2015, suggesting an increase of 190% in 2016 from the previous year.

Figure 15: Number of seizures and value of seized products smuggled by means of undervaluation



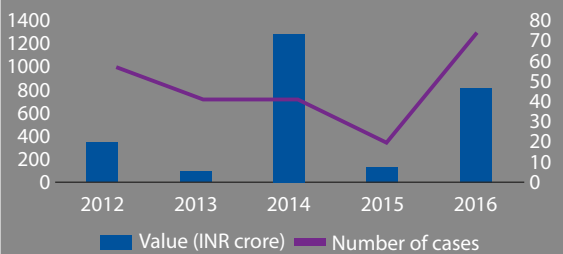
Source: Union Report 1 of 2017 - Revenue Customs

Figure 16: Number of seizures and value of seized products smuggled by means of misuse of end other notifications



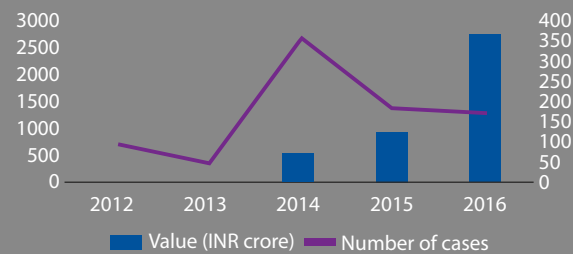
Source: Union Report 1 of 2017 - Revenue Customs

Figure 17: Number of seizures and value of seized products smuggled by means of mis-declaration



Source: Union Report 1 of 2017 - Revenue Customs

Figure 18: Number of seizures and value of seized products smuggled by other means



Source: Union Report 1 of 2017 - Revenue Customs

The most commonly counterfeited and smuggled goods are tobacco, cigarettes, electronic items, gold, machinery and parts, alcoholic beverages, auto components, Fast Moving Consumer Goods (FMCG) and mobile phones.

There are certain factors that drive the growth of illicit trade in the industry. Higher taxation rates, availability of cheaper alternative, lack of awareness and lack of enforcement mechanisms are key factors that encourage the consumers to opt for counterfeited, smuggled or pirated good without realising the after effects of promoting the illicit trade.

“

“Illicit trade and organised crime function hand-in-hand, with illicit trade being one of the most preferred means of criminal financing. These are issues which cannot be tackled in isolation. The industry should support to further government’s focus on breaking the backbone of financing of criminal activities-the industry could play a pivotal role in minimising the leakages in the supply chain”

-Ritesh Tiwari
Partner,
Forensic Services, KPMG in India

”



“

“We are living in an era where parallel economy fuelling through illicit trade such as counterfeiting and smuggling is stifling the sustainable growth of developing nations like India. It is absolutely necessary for the policy makers and industry to tackle this issue by taking on the bull by its horns.”

-Mohit Bahal
Partner and Head,
Forensic Services, KPMG in India

”



“The nefarious link between illicit trade and terrorism has been established beyond doubt. It is high time that all stakeholders join hands to defeat the evil designs of anti-national forces, failing which a huge price will have to be paid.”

-Anil Rajput
Chairman
FICCI CASCADE



Recommendations:

Better awareness about counterfeit and smuggled products through government initiatives

01

Government and industry can join hands to run campaigns for reducing the market of counterfeit and pirated goods

02

Task forces can be formed to check the growth of illicit trade and links between terrorism, organized crime and illicit trade

03

Government can draw a balance between its revenue needs through taxation and the incentives illicit market gets through increased taxes on goods

04



Exhibition

Media Coverage

News

'ILLICIT TRADE ON THE RISE IN INDIA'

India continues to see rise in illicit trade in tobacco, FMCG, auto components, alcoholic beverages and computer hardware, says a report by industry body Ficci and consultancy firm KPMG

THE MEANS APPLIED

Smuggling in India takes place in forms such as mis-declaration, undervaluation, misuse of the end-use and other means

MISDECLARATION

The **seizure** value for mis-declaration of goods stood at Rs 1,187 crore in 2016, while that of undervaluation of goods stood at Rs 254 crore

END-USE DISCREPANCY

The **seizure** value from misuse of end use was at Rs 770 crore and that from other means was at Rs 2,780 crore, seeing a rise of 191%, from Rs 953 crore in 2015

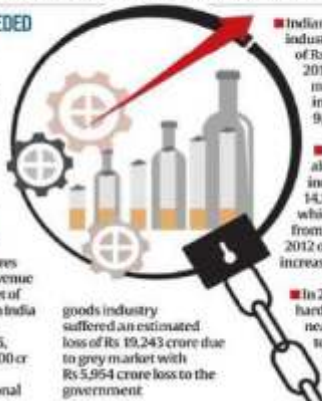
THE MEASURES NEEDED

Complexity and alarming growth of the illicit trade, more inter-governmental efforts and public-private alliances are needed to identify approaches leading to the development of a holistic strategy

GROWING MARKET

Based on data of seizures from Directorate of Revenue Intelligence, the market of illicit cigarettes trade in India rose by Rs 5,775 crore between 2010 and 2015, making it worth ₹25,000 cr

■ In 2014, FMCG personal



■ Indian auto components industry suffered a loss of Rs 10,501 crore in 2014 due to grey market which increased from Rs 9,158 crore in 2012

■ The loss to the alcoholic beverage industry stood at Rs 14,140 crore in 2014 which had increased from Rs 5,626 crore in 2012 observing an increase of over 150%

■ In 2014, the computer hardware industry lost nearly Rs 7,344 crore to grey market, while government loss was at Rs 1,923 crore

goods industry suffered an estimated loss of Rs 19,243 crore due to grey market with Rs 5,954 crore loss to the government

Illicit trade on the rise in India: Report

New Delhi: India continues to see rise in illicit trade in tobacco, FMCG, auto components, alcoholic beverages and computer hardware, says a report by industry body Ficci and consultancy firm KPMG. It said the smuggling in India takes place in forms such as mis-declaration, undervaluation, misuse of the end-use and other means.

The seizure value for mis-declaration of goods stood at Rs 1,187 crore in 2016, while that of undervaluation of goods stood at Rs 254 crore, the report added.

The seizure value from misuse of end use was at Rs 770 crore and that from other means was at Rs 2,780 crore, seeing a rise of 191 per cent, from Rs 953 crore in 2015, it said. PTI

Ficci-KPMG report: Illicit trade on rise in India

INDIA CONTINUES TO see rise in illicit trade in tobacco, FMCG, auto components, alcoholic beverages and computer hardware, says a report by industry body Ficci and consultancy firm KPMG. The seizure value for mis-declaration of goods stood at ₹1,187 crore in 2016, while that of undervaluation of goods stood at ₹254 crore, it added.

Illicit trade on rise in India, says Ficci-KPMG report

India continues to see a rise in illicit trade in tobacco, FMCG, auto components, alcoholic beverages and computer hardware, says a report by industry body Ficci and consultancy firm KPMG. It said the smuggling in India takes place in forms such as mis-declaration, undervaluation, misuse of the end-use and other means. The seizure value for mis-declaration of goods stood at ₹1,187 crore in 2016, while that of undervaluation of goods stood at ₹254 crore, it added.

PTI

ILLICIT TRADE IN INDIA ON THE RISE: STUDY

New Delhi, Oct. 16 India continues to see rise in illicit trade in tobacco, FMCG, auto components, alcoholic beverages and computer hardware, says a report by Ficci and KPMG.

It said the smuggling in India takes place in forms such as mis-declaration, undervaluation, misuse of the end-use and other means.

The seizure value for mis-declaration of goods stood at ₹1,187 crore in 2016, while that of undervaluation of goods stood at ₹254 crore, it added.

The seizure value from misuse of end use was at ₹770 crore and that from other means was at ₹2,780 crore, seeing a rise of 191 per cent, from ₹953 crore in 2015, it said. "This suggests evolution of means of smuggling in India with the evolution of government policies to deal with smuggling," the report said.

Ficci secretary general Sanjaya Baru said, "Due to the complexity and alarming growth of the illicit trade, more inter-governmental efforts and public-private alliances are needed to identify approaches leading to the development of a holistic strategy."

The industries plagued by illicit trade, counterfeiting and piracy include tobacco, alcoholic beverages, computer hardware, auto components, FMCG, packaged food items and mobile phones, the report said.

Based on data of seizures, the market of illicit cigarettes trade in India rose by ₹5,775 crore between 2010 and 2015, making it worth ₹25,000 crore.

— IPI

सोना, सिगरेट व नशीली दवाएं भारत में तस्करी होने वाले उत्पादों में सबसे आगे

एजेंसी नई दिल्ली

फिक्की कास्केड (अर्थव्यवस्था को नष्ट कर रही जालसाजी और तस्करी जैसी गतिविधियों के खिलाफ कमेटी) ने केपीएमजी इंडिया के साथ मिलकर तस्करी कर लाए और जाली सामानों के संकट को लेकर "अवैध कारोबार: आतंकवाद और संगठित अपराध का वित्तपोषक" के नाम से एक नई रिपोर्ट जारी की है। रिपोर्ट के मुताबिक जालसाजी और तस्करी के रूप में अवैध कारोबार बड़ी समस्या बन चुकी है, जिससे

उद्योग, सरकार, अर्थव्यवस्था और उपभोक्ता के स्वास्थ्य व सुरक्षा पर भी दुष्प्रभाव पड़ रहा है। इनमें नशीली दवाओं, सोने और सिगरेट की बड़ी हिस्सेदारी है।

राजस्व खुफिया निदेशालय (डीआरआई) के मुताबिक 2016-2017 में जब्त सोने और सिगरेट की कीमत क्रमशः 435 करोड़ और 78 करोड़ रु रही जबकि इस दौरान जब्त नशीली दवाओं की कीमत 4,885 करोड़ रुपए रही। यह देश में तस्करी के बड़े कारोबार को दर्शाता है।

Illicit trade on rise in India

Smuggling takes place in forms of misdeclaration, undervaluation, alerts Ficci-KPMG report

New Delhi (PTI): India continues to see rise in illicit trade in tobacco, FMCG, auto components, alcoholic beverages and computer hardware, according to a joint report by industry body Ficci and consultancy firm KPMG.

The report said the smuggling in India takes place in forms such as misdeclaration, undervaluation, misuse of the end-use and other means. The seizure value for misdeclaration of goods stood at Rs1,187 crore in 2016, while that of undervaluation of goods stood at Rs254 crore, it added.

The seizure value from misuse of end use was at Rs770 crore and that from other means was at Rs2,780 crore, seeing a rise of 191 per cent, from Rs 953 crore in 2015, it said.

"This suggests evolution of means of smuggling in India with the evolution of government policies to deal with smuggling," the report said.

Ficci Secretary General Sanjaya Baru said: "Due to the complexity and alarming growth of the illicit

The major factors driving the growth of illicit trade include

higher taxation rates, availability of cheaper alternative, lack of awareness and enforcement mechanisms, the report said



trade, more inter-governmental efforts and public-private alliances are needed to identify approaches leading to the development of a holistic strategy."

The industries plagued by illicit trade, counterfeiting and piracy include tobacco, alcoholic beverages, computer hardware, auto components, FMCG, packaged food items and mobile phones, the report said. Based on data of

seizures from Directorate of Revenue Intelligence, the market of illicit cigarettes trade in India rose by Rs5,775 crore between 2010 and 2015, making it worth Rs25,000 crore.

The was calculated estimating the value of one stick unit at an average of Rs10.5, it added.

The report further said in 2014, FMCG personal goods industry suffered an estimated loss of Rs

19,243 crore due to grey market with Rs 5,954 crore loss to the government.

On the other hand, the Indian auto components industry suffered a loss of Rs10,501 crore in 2014 due to grey market which increased from Rs9,198 crore in 2012. Quoting a study by Ficci and Thought Arbitrage Research Institute in 2015, the report said the grey market loss to the alcoholic beverage industry stood at Rs14,140 crore in 2014 which had increased from Rs5,626 crore in 2012 observing an increase of over 150 per cent.

It further said that in 2014, the computer hardware industry lost nearly Rs7,344 crore to grey market, while government loss was at Rs1,923 crore in form of revenues from the computer hardware market.

The major factors driving the growth of illicit trade include higher taxation rates, availability of cheaper alternative, lack of awareness and enforcement mechanisms, the report said.

फिक्की की वित्तपोषक रिपोर्ट पेश

नई दिल्ली. फिक्की कास्केड ने केपीएमजी इंडिया के साथ मिलकर तस्करी कर लिए हुए और जाली सामानों के संकट को लेकर अवैध कारोबार, आतंकवाद और संगठित अपराध का वित्तपोषक के नाम से एक रिपोर्ट जारी की है। रिपोर्ट के अनुसार राजस्व खुफिया निदेशालय (डीआरआई) के मुताबिक 2016-2017 में जब्त किए गए सोने और सिगरेट की कीमत क्रमशः 435 करोड़ रुपये और 78 करोड़ रुपए रही और 2016-2017 के दौरान जब्त की गई नशीली दवाओं की कीमत 4885 करोड़ रुपये रही, जो भारत में तस्करी के बड़े कारोबार को दर्शाता है।

आतंक से प्रभावित देशों में भारत तीसरे स्थान पर

नई दिल्ली, (पंजाब केसरी) : फिक्की कास्केड (अर्थव्यवस्था को नष्ट कर रही जालसाजी और तस्करी जैसे गतिविधियों के खिलाफ कमेटी) ने केपीएमजी इंडिया के साथ मिलकर तस्करी कर लिए हुए और जाली सामानों के संकट को लेकर 'अवैध कारोबार आतंकवाद और संगठित अपराध का वित्तपोषक' के नाम से एक नई रिपोर्ट जारी की है। रिपोर्ट के मुताबिक, 2016 में भारत आतंकी गतिविधियों से सर्वाधिक प्रभावित देशों की

सूची में तीसरे स्थान पर था, जबकि इराक और अफगानिस्तान क्रमशः पहले और दूसरे स्थान पर रहे। रिपोर्ट में कहा गया है कि भारत में 2016 में 927 आतंकी घटनाएं हुईं, जिनकी संख्या 2015 में 798 थी, जो घटनाओं में प्रतिशतक रूप से 16 प्रतिशत की वृद्धि दर्शाता है। वहीं भारत के पड़ोसी देश पाकिस्तान की स्थिति 2015 की तुलना में सुधरी है और वह 2016 में इस मामले में चौथे स्थान पर रहा।

भारत में 2016 में 927 आतंकी घटनाएं हुईं

Illicit tobacco trade on rise in India: Ficci-KPMG report

NEW DELHI: India continues to see rise in illicit trade in tobacco, FMCG, auto components, alcoholic beverages and computer hardware, says a report by industry body Ficci and consultancy firm KPMG. It said the smuggling in India takes place in forms such as mis-declaration, undervaluation, misuse of the end-use and other means.



The seizure value for mis-declaration of goods stood at Rs 1,187 crore in 2016, while that of undervaluation of goods stood at Rs 254 crore, it added.

The seizure value from misuse of end use was at Rs 770 crore and that from other means was at Rs 2,780 crore, seeing a rise of 191 per cent from Rs 953 crore in 2015, it said.

This suggests evolution of means of smuggling in India with the evolution of government policies to deal with smuggling, the report said.

Ficci Secretary General Sanjay Bera said "Due to the complexity and alarming growth of the illicit trade, more inter-governmental efforts and public-private alliances are needed to identify approaches leading to the development of a holistic strategy."

The industries plagued by

illicit trade, counterfeiting and piracy include tobacco, alcoholic beverages, computer hardware, auto components, FMCG, packaged food items and mobile phones, the report said. Based on data of seizures from Directorate of Revenue Intelligence, the market of illicit cigarettes trade in India rose by Rs 3,775 crore between 2010 and 2015, raising its worth to Rs 25,000 crore.

The report further said in 2014, FMCG personal goods industry suffered an estimated loss of Rs 19,243 crore due to grey market with Rs 5,954 crore loss to the government.

On the other hand, the Indian auto components industry suffered a loss of Rs 10,700

crore in 2014 due to grey market which increased from Rs 9,108 crore in 2012. Quoting a study by Ficci and Thought Arbitrage Research Institute in 2015, the report said the grey market loss to the alcoholic beverage industry stood at Rs 14,140 crore in 2014 which had increased from Rs 5,626 crore in 2012 observing an increase of over 150 per cent.

It further said that in 2014, the computer hardware industry lost nearly Rs 7,344 crore to grey market, while government loss was at Rs 1,923 crore in form of revenues from the computer hardware market.

The major factors driving the growth of illicit trade include higher taxation rates, availability of cheaper alternatives, lack of awareness and reinvestment mechanisms, the report said. It

भारत तीसरा सबसे आतंक पीड़ित देश

नई दिल्ली। भारत वर्ष 2016 में इराक और अफगानिस्तान के बाद आतंकी गतिविधियों से तीसरा सर्वाधिक प्रभावित देश था। फिक्की कास्केड द्वारा आयोजित अंतरराष्ट्रीय कांग्रेस मस्केड 2017 में जारी रिपोर्ट में यह जानकारी दी गई।

आतंकवाद और संगठित अपराध को मिलती वित्तीय सहायता शीर्षक से जारी रिपोर्ट के अनुसार जालसाजी और पायरेसी के कारण 2013 में दुनियाभर में 20 से 26 लाख लोगों का रोजगार छिना। वर्ष 2022 तक इसमें 110 फीसदी की वृद्धि का अनुमान जताया गया है। कार्यक्रम के दौरान सांसद शत्रुघ्न सिन्हा ने कहा कि तस्करी, जालसाजी और अवैध कारोबार के खिलाफ जंग छेड़ते हुए भारतीय उत्पादों के संवर्धन और संरक्षण का यह सही समय है।

देश में बढ़ रहा है सामानों का अवैध कारोबार: रिपोर्ट



नई दिल्ली: देश में रोजमर्रा के उपयोग के सामान (एफएमसीजी), तंबाकू उत्पाद, गाड़ियों के कल-पुर्जे, शराब और कंप्यूटर हार्डवेयर के अवैध कारोबार में लगातार बढ़तरी हो रही है। उद्योग मंडल फिक्की और कंसल्टेंसी कंपनी केपीएमजी की एक रिपोर्ट में यह जानकारी दी गई है। 2016 में कुल 1,187 करोड़ रुपये के बिना ऐलान किए जाने वाले सामान जब्त किए गए, जबकि कम मूल्यवान् वाले विसों की जल्दी 254 करोड़ रुपये की रही। एंड यूजर के तौर पर गलत इस्तेमाल से संबंधित जल सामानों की वैल्यू 770 करोड़ रुपये की रही। वहीं, अन्य तरीके से दुरुपयोग वाले जब्त विसों की वैल्यू 2,780 करोड़ रुपये थी। फिक्की के महासचिव संजय बेरा ने कहा, 'अवैध कारोबार में भारी बढ़तरी और जटिलता को देखते हुए सरकारी प्रयास और सार्वजनिक-निजी सहयोग जरूरी है, इस दिशा में कारगर कदम उठाए जा सकें।'

देश में बढ़ रहा है विभिन्न वस्तुओं का अवैध कारोबार



नई दिल्ली, भाषा। देश में तंबाकू, रोजमर्रा के उपयोग के सामान एफएमसीजी, वाहन कल-पुर्जे, शराब और कंप्यूटर हार्डवेयर के अवैध कारोबार में लगातार वृद्धि हो रही है। उद्योग मंडल फिक्की और परामर्श कंपनी केपीएमजी की एक रिपोर्ट में यह कहा गया है। रिपोर्ट में कहा गया है कि देश में गलत घोषणा, कम मूल्यवान्, वस्तुओं के अंतिम रूप से उपयोग के मामले में दुरुपयोग और अन्य रूप में तस्करी होती है। आंकड़ों की जानकारी वाले वस्तुओं की जल्दी 2016 में 1,187 करोड़ रुपए जबकि कम मूल्यवान् वाले विसों की जल्दी 254 करोड़ रुपए की रही। अंतिम उपभोक्ता के तौर पर दुरुपयोग से संबंधित जब्त वस्तुओं का मूल्य 770 करोड़ रुपए का रहा। वहीं अन्य तरीके से दुरुपयोग वाले जब्त विसों का मूल्य 2,780 करोड़ रुपए रहा।

आतंकी गतिविधियों से सर्वाधिक प्रभावित देशों में भारत तीसरे स्थान पर: रिपोर्ट

हरजैत नई दिल्ली

फिक्की कार्सेडेड (अनध्यातव्य) को लुप्त कर रही अवसरकारी और तस्करी जैसे गतिविधियों के खिलाफ कानूनी ने केविलवली अवैध के साथ मिलकर तस्करी कर लपट हुए और जाली सामानों के संकट को लेकर अवैध कारोबार, अवैधकवाद और संरक्षित अपराध का विस्तार के नाम से एक नई रिपोर्ट जारी की है। रिपोर्ट के मुताबिक, 2016 में भारत आतंकी गतिविधियों से सर्वाधिक प्रभावित देशों की सूची में तीसरे स्थान पर था, जबकि इराक

और अफगानिस्तान क्रमशः पहले और दूसरे स्थान पर रहे। रिपोर्ट ने अमेरिकी होमलैंड सिक्योरिटी से मिले आंकड़ों को जमा कर नई और रेखांकित किया गया कि परत में 2016 में 927 आतंकी घटनाएं हुईं, जिसको संख्या 2015 में 798 थी, जो घटनाओं में प्रतिशतक रूप से 16 प्रतिशत की वृद्धि दर्शाता है। वहीं भारत के पड़ोसी देश पाकिस्तान की स्थिति 2015 की तुलना में सुधरी है और वह 2016 में इस मामले में चौथे स्थान पर रहा। 2015 के मुकाबले 2016 में अफगानिस्तान, पाकिस्तान

नाइजीरिया और यमन जैसे देशों में आतंकी घटनाओं में कमी आई। 2015 में वैश्विक आतंकी घटनाओं का 35 प्रतिशत इराक, अफगानिस्तान, पाकिस्तान, भारत और नाइजीरिया में हुआ था। 2016 में आतंकी घटनाओं में होने वाली नीतियों में से 75 प्रतिशत भीते इन चार देशों (इराक, अफगानिस्तान, नाइजीरिया, सीरिया और पाकिस्तान) में हुई। वैश्विक स्तर पर जलाशयों का जाली वस्तुओं का निर्माण और तस्करी आतंकीवाद समेत अन्य अपराधिक गतिविधियों के वित्त आधारीक व सुरक्षा पर भी दुष्प्रभाव फैलाते हैं।

प्रमुख आतंकी संगठन जैसे इराकियुद्ध, एस्कर-ए-लैफ्त, अल काबादा, आदरिस रिफ्लिक्शन आदी आतंकी गतिविधियों को गतिविध जलनतों के 20 प्रतिशत तक के लिए अवैध करिबत पर ही अवैध है। जलाशयों और तस्करी के रूप में अवैध कारोबार का परिचालन और जलाशयों बढ़ी सम्पदा बन चुकी है, जिसका अन्वय और अन्वय बढ़ता जा रहा है, जिससे उद्योग, सरकार, अर्थव्यवस्था और उपरोद्धा के स्वास्थ्य व सुरक्षा पर भी दुष्प्रभाव पड़ रहा है।

ILLICIT TRADE IN INDIA ON THE RISE: STUDY

New Delhi, Oct. 16: India continues to see rise in illicit trade in tobacco, FMCG, auto components, alcoholic beverages and computer hardware, says a report by Ficci and KPMG. It said the smuggling in India takes place in forms such as mis-declaration, undervaluation, misuse of the end-use and other means. The seizure value for mis-declaration of goods stood at \$2.187 crore in 2016, while that of undervaluation of goods stood at \$264 crore, it added. The seizure value from misuse of end use was at \$739 crore and that from other means was at \$2,790 crore, seeing a rise of 191 per cent, from \$933 crore in 2015, it said. "This suggests evolution of means of smuggling in India with the evolution of government policies to deal with smuggling," the report said. Ficci secretary general Sanjaya Boru said, "Due to the complexity and alarming growth of the illicit trade, more inter-governmental efforts and public-private alliances are needed to identify approaches leading to the development of a holistic strategy." The industries plagued by illicit trade, counterfeiting and piracy include tobacco, alcoholic beverages, computer hardware, auto components, FMCG, packaged food items and mobile phones, the report said. Based on data of seizures, the market of illicit cigarettes trade in India rose by \$5,775 crore between 2010 and 2015, making it worth \$25,000 crore. —PTI

ఉగ్రవాద ప్రభావిత దేశాల్లో భారత్ కు మూడవ స్థానం

న్యూఢిల్లీ: ప్రపంచవ్యాప్తంగా అనేక దేశాల్లో ఉగ్రవాద ప్రభావం పెరుగుతోంది. ఇందులో భారత్ మూడవ స్థానంలో ఉంది. ఫిక్కి మరియు కెపిఎమ్ గ్రూప్ చేసిన అధ్యయనం ప్రకారం, 2016లో భారత్ 927 ఉగ్రవాద దాడులు చేపట్టినట్లు తెలుస్తోంది. ఇది 2015లో 798 దాడుల కంటే 16 శాతం పెరుగుదలను సూచిస్తుంది. భారత్ అనేక ఉగ్రవాద దాడులకు దారితీసిన దేశాలలో ఒకటిగా గుర్తింపు పొందింది. ఇది 2015లో 798 ఉగ్రవాద దాడులకు దారితీసిన దేశాలలో ఒకటిగా గుర్తింపు పొందింది.

తस्करी होने वाले उत्पादों में देश सबसे आगे

नई दिल्ली: फिक्की कार्सेडेड (अनध्यातव्य) को लुप्त कर रही अवसरकारी और तस्करी जैसे गतिविधियों के खिलाफ कानूनी ने केविलवली अवैध के साथ मिलकर तस्करी कर लपट हुए और जाली सामानों के संकट को लेकर अवैध कारोबार, अवैधकवाद और संरक्षित अपराध का विस्तार के नाम से एक नई रिपोर्ट जारी की है। रिपोर्ट के मुताबिक, 2016 में भारत आतंकी गतिविधियों से सर्वाधिक प्रभावित देशों की सूची में तीसरे स्थान पर था, जबकि इराक और अफगानिस्तान क्रमशः पहले और दूसरे स्थान पर रहे। रिपोर्ट ने अमेरिकी होमलैंड सिक्योरिटी से मिले आंकड़ों को जमा कर नई और रेखांकित किया गया कि परत में 2016 में 927 आतंकी घटनाएं हुईं, जिसको संख्या 2015 में 798 थी, जो घटनाओं में प्रतिशतक रूप से 16 प्रतिशत की वृद्धि दर्शाता है। वहीं भारत के पड़ोसी देश पाकिस्तान की स्थिति 2015 की तुलना में सुधरी है और वह 2016 में इस मामले में चौथे स्थान पर रहा। 2015 के मुकाबले 2016 में अफगानिस्तान, पाकिस्तान, नाइजीरिया और यमन जैसे देशों में आतंकी घटनाओं में कमी आई। 2015 में वैश्विक आतंकी घटनाओं का 35 प्रतिशत इराक, अफगानिस्तान, पाकिस्तान, भारत और नाइजीरिया में हुआ था। 2016 में आतंकी घटनाओं में होने वाली नीतियों में से 75 प्रतिशत भीते इन चार देशों (इराक, अफगानिस्तान, नाइजीरिया, सीरिया और पाकिस्तान) में हुई। वैश्विक स्तर पर जलाशयों का जाली वस्तुओं का निर्माण और तस्करी आतंकीवाद समेत अन्य अपराधिक गतिविधियों के वित्त आधारीक व सुरक्षा पर भी दुष्प्रभाव फैलाते हैं।

MARKET		COMMODITIES	
SENSEX	32633.64 ▲ 200.95	Gold	29921 ▲ 70
NIFTY	10230.85 ▲ 63.40	Silver	40569 ▲ 170
USD/INR	64.93 ▼ 0.16	Crude Oil	3,360 ▲ 50

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NEW DELHI: India continues to see rise in illicit trade in tobacco, FMCG, auto components, alcoholic beverages and computer hardware, says a report by industry body Ficci and consultancy firm KPMG. It said the smuggling in India takes place in forms such as mis-declaration, undervaluation, misuse of the end-use and other means.

देश में तंबाकू, रोजमर्रा के इस्तेमाल के सामान (एफएमसीजी), गाड़ियों के कल-पुर्ज, शराब और कंप्यूटर हार्डवेयर के अवैध कारोबार में लगातार इजाफा हो रहा है. उद्योग मंडल फिक्की और पारमार्थ कंपनी केपीएमजी की एक रिपोर्ट में यह कहा गया है.

इस रिपोर्ट में कहा गया है कि देश में गलत घोषणा, कम मूल्यांकन, वस्तुओं के अंतिम रूप से उपयोग के मामले में दुरुपयोग और अन्य रूप में तस्करी होती है. भ्रामक जानकारी वाले वस्तुओं की जबकि 2016 में 1,187 करोड़ रुपये जबकि कम मूल्यांकन वाले जिंसा की जबकि 254 करोड़ रुपये की रही. अंतिम उपभोक्ता के तौर पर दुरुपयोग से संबंधित जब्त वस्तुओं का मूल्य 770 करोड़ रुपये का रहा. वहीं दूसरे तरीकों से दुरुपयोग वाले जब्त जिंसा का मूल्य 2,780 करोड़ रुपये रहा. यह 2015 के 953 करोड़ रुपये के मुकाबले 191 प्रतिशत अधिक है. रिपोर्ट में कहा गया है, 'यह देश में तस्करी के बढ़ने का संकेत है...'

फिक्की के महासचिव संजय बारू ने कहा, 'अवैध कारोबार में उल्लेखनीय वृद्धि और जटिलता को देखते हुए अंतर-सरकारी प्रयास और सार्वजनिक-निजी सहयोग जरूरी है, ताकि एक समग्र रणनीति के विकास की दिशा में कदम उठाया जा सके.'

रिपोर्ट के अनुसार, उद्योग तंबाकू, शराब, कंप्यूटर हार्डवेयर, गाड़ियों के कल-पुर्ज, एफएमसीजी, डिब्बाबंद खाद्य पदार्थ और मोबाइल फोन समेत विभिन्न वस्तुओं के अवैध कारोबार और नकली सामान से प्रभावित हैं. अवैध कारोबार बढ़ने का कारण उच्च कराधान, विकल्प के रूप से सस्ते सामान की उपलब्धता, जागरूकता की कमी और प्रभावी तरीके से नियमन का लागू नहीं होना

सोना, सिगरेट और नशीली दवाएं तस्करी होने वाले उत्पादों में सबसे आगे

एजेंसी/नवज्योति, नई दिल्ली
फिक्की कार्सेडेड ने केपीएमजी इंडिया के साथ मिलकर तस्करी कर लपट हुए और जाली सामानों के संकट को लेकर अवैध कारोबार, अवैधकवाद और संरक्षित अपराध का विस्तार के नाम से एक नई रिपोर्ट जारी की है। रिपोर्ट के मुताबिक, 2016 में भारत आतंकी गतिविधियों से सर्वाधिक प्रभावित देशों की सूची में तीसरे स्थान पर था, जबकि इराक और अफगानिस्तान क्रमशः पहले और दूसरे स्थान पर रहे। रिपोर्ट ने अमेरिकी होमलैंड सिक्योरिटी से मिले आंकड़ों को जमा कर नई और रेखांकित किया गया।

देश में बढ़ रहा है विभिन्न वस्तुओं का अवैध कारोबार

नई दिल्ली। देश में तंबाकू, रेवमा के उपयोग के सामान (एफएमसीजी), वाहन कल-पुर्जे, शराब और कंप्यूटर हार्डवेयर के अवैध कारोबार में लगातार वृद्धि हो रही है। उद्योग मंडल फिक्की और परामर्श कंपनी केपीएमजी को एक रिपोर्ट में यह कहा गया है। इसमें कहा गया है कि देश में गलत घोषणा, कम मूल्यंकन, वस्तुओं के अंतिम रूप से उपयोग के मामले में दुर्बलता और अन्य रूप में तस्करी होती है। प्रामाणिक जानकारी वाले वस्तुओं की जल्दी 2016 में 1,187 करोड़ रुपए जबकि कम मूल्यंकन वाले वस्तुओं की जल्दी 254 करोड़ रुपए की रही। अंतिम उपभोक्ता के तौर पर दुरुपयोग से संबंधित जब्त वस्तुओं का मूल्य 770 करोड़ रुपए का रहा। वहीं अन्य तरीके से दुरुपयोग वाले जब्त वस्तुओं का मूल्य 2,780 करोड़ रुपए रहा। यह 2015 के 953 करोड़ रुपए के मुकाबले 191 प्रतिशत अधिक है।

Illicit trade on rise in India, says Ficci-KPMG report

PTI | Oct 16, 2017, 17:12 IST

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It said the smuggling in India takes place in forms such as mis-declaration, undervaluation, misuse of the end-use and other means.

The seizure value for mis-declaration of goods stood at Rs 1,187 crore in 2016, while that of undervaluation of goods stood at Rs 254 crore, it added.

The seizure value from misuse of end use was at Rs 770 crore and that from other means was at Rs 2,780 crore, seeing a rise of 191 per cent, from Rs 953 crore in 2015, it said.

"This suggests evolution of means of smuggling in India with the evolution of government policies to deal with smuggling," the report said.

Ficci Secretary General Sanjaya Baru said: "Due to the complexity and alarming growth of the illicit trade, more inter-governmental efforts and public-private

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PTI
October 16, 2017 | UPDATED 17:20 IST

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The industries plagued by illicit trade, counterfeiting and piracy include tobacco, alcoholic beverages, computer hardware, auto components, FMCG, packaged food items and mobile phones, the report said.

फिक्की की वित्त पोषक रिपोर्ट पेश

नई दिल्ली। फिक्की का वित्त पोषक रिपोर्ट में केपीएमजी द्वारा के साथ मिलकर तैयार की गई है और जल्दी सामानों के संकट को लेकर अवैध कारोबार, आर्थिकवाद और संगठित अपराध का वित्तपोषक के नाम से एक रिपोर्ट जारी की है। रिपोर्ट में कहा गया है कि देश में गलत घोषणा, कम मूल्यंकन, वस्तुओं के अंतिम रूप से उपयोग के मामले में दुर्बलता और अन्य रूप में तस्करी होती है। प्रामाणिक जानकारी वाले वस्तुओं की जल्दी 2016 में 1,187 करोड़ रुपए जबकि कम मूल्यंकन वाले वस्तुओं की जल्दी 254 करोड़ रुपए की रही। अंतिम उपभोक्ता के तौर पर दुरुपयोग से संबंधित जब्त वस्तुओं का मूल्य 770 करोड़ रुपए का रहा। वहीं अन्य तरीके से दुरुपयोग वाले जब्त वस्तुओं का मूल्य 2,780 करोड़ रुपए रहा। यह 2015 के 953 करोड़ रुपए के मुकाबले 191 प्रतिशत अधिक है।

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Ficci

Secretary General Sanjaya Baru said: "Due to the complexity and alarming growth of the illicit trade, more inter-governmental efforts and public-private alliances are needed to identify approaches leading to the development of a holistic strategy."

The industries plagued by illicit trade, counterfeiting and piracy include tobacco, alcoholic beverages, computer hardware, auto components, FMCG, packaged food items and mobile phones, the report said.

Based on data of seizures from Directorate of Revenue Intelligence, the market of illicit cigarettes made in India rose by over 100 per cent between 2010 and 2015, making it worth Rs 25,000 crore.

India the 3rd country most affected by terrorist activities

Posted by The Hindu on October 16, 2017

Delhi, 16 October 2017: NCO CASCADE (Committee Against Smuggling and Counterfeiting Activities Destroying the Economy) in association with IPIAS India, released a new report titled on the menace of smuggled and fake goods - illicit trade fueling terror financing and Organized Crime. As per the report, India ranks third in the list of countries most affected by terrorist activities in 2016, with the first and second positions occupied by Iraq and Afghanistan respectively.

The report consists of 115 footnotes, security and highlights that the number of terrorist attacks in India increased to a total of 327 in 2016 from 278 in 2015 showing an alarming increase of approximately 18 per cent. India, India's neighbour Pakistan has slipped down by a margin from 2015 to occupy fourth position in the 2016 report. A number of nations such as Afghanistan, Pakistan, Nigeria and Yemen on the other hand witnessed lesser number of terrorist activities in 2016 compared to 2015. Further, Iraq, Afghanistan, Pakistan, India and Nigeria recorded by nearly 100 the global terrorist attacks in 2016, nearly 75 per cent of all deaths in 2016 due to terrorist activities occurred in the countries Iraq, Afghanistan, Nigeria, Syria, and Pakistan.

Illicit counterfeiting or the manufacture of fake goods and smuggling are the economic source of income for terrorist activities including terrorism. International organisations such as Hezbollah, Lashkar-e-Taiba (LT), Islamic Revolutionary Army, etc. rely on illicit trade for financing up to 25% of their operations.

ALSO READ

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Efforts are needed to identify approaches leading to the development of a holistic strategy."

Illicit trade on rise in India, says Ficci-KPMG report

PTI | Updated: Oct 16, 2017, 05:42 PM IST

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In the recent past India's economic growth story has attracted world's attention bringing new challenges for the domestic economy. One of the challenges currently faced is the growing illicit trade in counterfeits, pass offs and smuggled goods. These activities are also threatening brands not only in every region of the country but across the globe.

Contraband and counterfeit products hurt the integrity of the brand, further diluting the brand owner's reputation. This not only results in erosion of sales of the legitimate product but further [CASCADE]s onto affect the consumers in the form of health and safety hazards.

With the above insight the Federation of Indian Chambers of Commerce and Industry(FICCI) took the initiative to dedicate a forum by establishing the Committee Against Smuggling and Counterfeiting Activities Destroying the Economy - CASCADE on 18th January, 2011 at FICCI Federation House, New Delhi.

www.ficcicascade.in

