



9th edition
MASCRADE 2023
Movement Against Smuggled & Counterfeit Trade

Tackling Illicit Trade: Socio-Economic Perspectives and Way Forward

28 - 29 SEPTEMBER 2023



KEY DELIBERATIONS





MASCRADA 2023

Movement Against Smuggled & Counterfeit Trade

Tackling Illicit Trade: Socio-Economic Perspectives and Way Forward

28 - 29 SEPTEMBER 2023



KEY DELIBERATIONS



illicit Trade

The world has increasingly been impacted by the scourge of illicit trade including smuggling and counterfeiting. These illicit activities have far-reaching consequences on various aspects such as trade, foreign investment, employment, innovation, criminality, the environment, and most critically, the health of consumers. It escalates each day in scope and magnitude. The impact of this nefarious activities on the global economy is profound, with losses exceeding US\$ 2 trillion annually. Illicit trade stands as a formidable barrier hindering the progress of the global development agenda. It siphons off nearly 3% of the world's economy, surpassing the economic output of entire nations such as Brazil, Italy, and Canada. To put it into perspective, if illicit trade were a country, its shadow economy would rival the size of Mexico and Indonesia combined.

The nexus between illicit trade and transnational organized crime is evident. It undermines economic growth, individual prosperity, and corporate profitability. Transnational organized crime continues intricate connections with criminal syndicates, spanning national and local levels, facilitating the trafficking of people and goods, and bolstering international terrorism.

It is crucial to recognize that no nation, regardless of its size, development status, or geographical location, remains immune to the devastating effects of illicit trade. As per a 2022 FICCI CASCADE's study titled - 'Illicit Markets: A Threat to Our National Interests', over a period of 10 years, the tax loss to the Government of India because of the illicit trade has jumped by 163% to reach a mammoth Rs 58,521 crore (from Rs. 22,230 crore) for 5 key industries - Alcoholic Beverages, Mobile Phones, FMCG-Household and Personal Goods, FMCG-Packaged Foods and Tobacco Products. In the same period tax loss because of the illicit trading in two highly regulated and taxed industries - alcohol and tobacco products has jumped by 227%. In the FMCG category, Packaged Foods and Household & Personal Goods, the loss witnessed an increase by 162% during the same period. The overall size of the illicit market in this 10-year period has swelled to a whopping Rs. 2,60,094 crores.

According to a report by FICCI CASCADE- 'Regulatory

Interventions and Illicit Trade Across Border- Impact on Six key Industries' published in the year 2023, the impact of tariff and non-tariff regulatory measures on illicit trade in the six key industries namely Alcoholic Beverages, Consumer Electronics, FMCG - Packaged Foods, FMCG-Household & Personal Goods, Mobile Phones and Tobacco Products can be examined. Based on the empirical findings and overall analysis of tariff and non-tariff regulatory measures, the report assesses the extent of illicit trade and offers strategic insights to combat this pervasive global challenge.

In another report released in the year 2023, titled, 'Hidden Streams: Linkages between Illicit Markets, Financial Flows, Organized Crime, and Terrorism' it delves into the pervasive threats posed by illicit financial flows to both the global economy and security. The report highlights the vulnerabilities associated with the expanding global trade, with a particular focus on India, where illicit financial transactions have the potential to impede economic progress and finance criminal and terrorist activities.

Several elements contribute to the persistence and perpetuation of the grey market, including substantial profitability, expansive market dimensions, tax discrepancies, convenient access to distribution channels, and the simplicity of concealing operations, compounded by inadequate enforcement measures.

As we continue to combat illicit trade, it is imperative to strengthen international cooperation, enhance regulatory frameworks, and adopt innovative technologies to safeguard the integrity of our markets and protect the interests of consumers, businesses, and societies worldwide. Over the years, FICCI CASCADE has remained steadfast in its commitment to address the critical issue of illicit trade through collaborative efforts with policy makers, industry stakeholders, enforcement agencies, media, and consumers. Our mission involves fostering an engaged and informed public discourse on this pressing issue through various awareness programmes across different states. Effectively addressing such issues are crucial to preserve India's economic stability, fostering fair competition, and cultivating an environment conducive to sustainable growth and ease of doing business.



FICCI CASCADE

Committee Against Smuggling and Counterfeiting Activities Destroying the Economy

*f*ICCI 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 and smuggling. It has been successful in stirring an active debate on the topic nationally and internationally. These awareness programs were well attended comprising 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 8th 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 and smuggling to spread awareness about its adverse socio-economic impact. These forums saw overwhelming response in terms of delegate participation, media coverage and witnessed a host of international and national speakers who deliberated on the theme. Post conference reports and suggestions were shared with policy makers at the highest levels.



INTERNATIONAL CONFERENCES



GLIMPSSES OF PAST

FICCI
C|A|S|I|C|A|D|E

INTERNATIONAL CONFERENCES





AGENDA



AGENDA



9th edition
MASCRADE 2023
Movement Against Smuggled & Counterfeit Trade

Tackling Illicit Trade: Socio-Economic Perspectives and Way Forward

28 - 29 SEPTEMBER 2023

Programme Outline

28 September 2023	DAY 1
10:00 am - 11:00 am	REGISTRATION
11:00 am - 12:00 noon	INAUGURAL SESSION
	<p>Welcome and Theme Address by Mr. Anil Rajput, Chairman, FICCI CASCADE</p> <p>Special Address by Mr. Sanjay Kumar Agarwal, Chairman, Central Board of Indirect Taxes and Customs</p> <p>Video Address by Dr. Kunio Mikuriya, Secretary General, World Customs Organization</p> <p>Release of TARI study</p> <p>Words of Thanks by Mr. Anil Sinha, Former Director, CBI and Think Tank Member, FICCI CASCADE</p>
12:05 pm - 12:35 pm	Highlights of the Study- Hidden Streams: Linkages between Illicit Markets, Financial Flows, Organized Crime and Terrorism
	<p>Presentation by Mr. Kaushik Dutta, Director, Thought Arbitrage Research Institute (TARI)</p>
12:35 pm - 01:30 pm	Lunch
01:30 pm - 03:00 pm	PLENARY SESSION 1
	Protecting the Social Fabric of Nations: Exposing the lethal linkages of Illicit Trade and Terror Financing
	<p>The session will talk about:</p> <ul style="list-style-type: none">■ Socio-economic impact of illicit trade on global and Indian economies and way forward.■ Use of formal and informal channels of funds which are financing terrorism.

- Setting and implementing global standards to prevent and combat illicit trade and terror financing.
- Presentation of statistics and data on the scale and scope of the problem, including recent trends and emerging threats.
- Overview of international efforts to combat terror financing in illicit trade.

Session Chair: **Mr. Najib Shah**, Former Chairman, Central Board of Indirect Taxes and Customs and Think Tank Member, FICCI CASCADE

Speakers:

- **Mr. Marco Teixeria**, Regional Representative for South Asia, UNODC
- **Mr. Todd Reves**, Director of Building Respect for IP Division, Global Challenges and Partnerships Sector, WIPO
- **Ms. Sheila Kamdar**, Regional Technical Officer for South Asia, International Narcotics Control Board (INCB), UN
- **Mr. Marco Ferretti**, Guardia di Finanza Attache, Italy

03:00 pm – 04:30 pm

PLENARY SESSION 2: Panel Discussion

The Power of Collaboration: A Multilateral Approach to Intelligence Sharing and Strengthening Investigations

- Enhancing international coordination and cooperation, including the development of joint investigation and enforcement.
- Sharing of best practices and implementing policies that promote transparency, accountability, and good governance to tackle illicit trade.
- International collaboration in countering illicit trade including bilateral and multilateral agreements and mutual legal assistance.
- Strengthening regulations and improving enforcement mechanisms globally.
- Challenges and opportunities for cross-border cooperation and information sharing.

Session Chair: **Dr. D P Dash**, Former Pr. Director-General, DRI, Former Chairman, Enforcement Committee, World Customs Organisation (WCO) and Think Tank Member, FICCI CASCADE

	<p>Discussants:</p> <ul style="list-style-type: none"> ■ Mr. Hiroki Watanabe, Director IPR and Director IP Attache for South Asia, JETRO ■ Mr. Michael Poulsen, Head of International Projects, Danish Patent and Trademark Office (DKPTO) ■ Mr. Sébastien CONNAN, Regional Counsellor Intellectual Property India & South Asia, Embassy of France ■ Mr. Stefan Kessen, Customs Attaché, Embassy of Belgium
29 September 2023	Day 2
09:00 am- 09:30 am	Registration
09:30 am – 10:00 am	OPENING SESSION
	<p>Opening Remarks</p> <p>Mr. P C Jha, Advisor, FICCI CASCADE and Former Chairman, Central Board of Indirect Taxes Global Fight Against Terror</p> <p>Mr. T. S. Tirumurti, Former Chair, UN Security Council Counter terrorism Committee and Former Permanent Representative of India to the UN</p>
10:00 am – 11:15 am	PLENARY SESSION 3: Panel Discussion
	Harnessing the Power of New Age & Emerging Technologies in Preventing Illicit Trade
	<p>The session will talk about:</p> <ul style="list-style-type: none"> ■ Need to collaborate with businesses and other stakeholders to create a more secure and transparent global trading system. ■ Use of technology to detect and prevent illicit trade activities, such as artificial intelligence (AI) and machine learning to identify patterns of illicit trade, blockchain, data analytics, etc. ■ Advanced cybersecurity measures to protect institutions from cyber-attacks. ■ To develop a monitoring and evaluation framework to track the products on e-commerce platforms. <p>Session Chair – Mr. P K Malhotra, Former Secretary, Ministry of Law & Justice, Govt. of India and Think Tank Member, FICCI CASCADE</p>

Speakers:

- **Dr. Pavan Duggal**, Advocate, Supreme Court of India, Expert and Authority on Cyber Law, Cyber Security Law, Artificial Intelligence Law & E-commerce law
- **Mr. Todd Reves**, Director of Building Respect for IP Division, Global Challenges and Partnerships Sector, WIPO
- **Mr. Milind Palany**, Senior Manager, Global Brand Protection, Southern Asia and ANZ Cluster, Kenvue
- **Mr. Bikas Jha**, Co-Founder, Filtron.AI and Board of Director, RealNetworks India, Pvt Ltd.
- **Mr. Kunal Kaushal**, Director – Cloud, Big Data & Analytics, KPMG

11:15 am - 12:30 pm

PLENARY SESSION 4: Panel Discussion

Detecting and Disrupting the Daunting Impact of Organized Crime, Terror Financing, and Illicit Trade

- Role of enforcement agencies to detect and investigate terror financing activities and illicit trade.
- Developing intelligence-led enforcement strategies to target high-risk areas and individuals.
- Economic, social, and security implications of organized crime and illicit trade.
- Use of forensic tools, digital evidence, and cross-border coordination to combat smuggling.

Moderator: **Ms. Ruchira Sharma**, Senior Anchor & Consulting Editor, Network 18- CNBC

Speakers:

- **Mr. Ferhat Cakmak**, Criminal Intelligence Officer, IP Crime and Digital Piracy, INTERPOL
- **Mr. Balesh Kumar**, Member, Appellate Tribunal-SAFEMA, Department of Revenue, Ministry of Finance
- **Ms. Sonia Narang**, Special Director, Directorate of Enforcement
- **Mr. Abhai Kumar Srivastav**, Principal Additional Director General, Directorate of Revenue Intelligence, Delhi Zonal Unit
- **Mr. Vivek Aggarwal**, Director (Additional Charge), Financial Intelligence Unit

12:30 pm – 01:20 pm

LUNCH

01:20 pm – 02:20 pm

PLENARY SESSION 5

Resilient Strategies in Mitigating Illicit Market Threats – Industry Perspectives

- Public-private partnerships and other collaborative approaches to mitigate the challenges posed by counterfeiting and smuggling.
- Checking new threats, scams and recent security risks posed by illicit operators.
- Success stories and challenges, including case studies and lessons learned from efforts to combat illicit trade.
- Call to action for continued collaboration and innovation in detecting and mitigating illicit market threats.
- Developing and implementing effective risk management strategies
- Challenges and opportunities for cross-industry and cross sectoral collaboration

Opening Remarks by **Mr. Rajiva Ranjan Verma**, I.P.S., Former Director General, RPF, NCRB, Civil Defence, Home Guard & Fire Services and BPR&D and Think Tank Member, FICCI CASCADE

Session Chair - **Mr. Hem Kumar Pande**, Former Secretary, Dept. of Consumer Affairs, Gol and Think Tank Member, FICCI CASCADE

Speakers:

Mr. Devraj Lahiri, Divisional Chief Executive, ITD, ITC Ltd.

Mr. Rajdeep Datta, Director, Trustworthy Shopping Experience, International, Amazon

Ms. Suriya Prabha Padmanaaban, Director of Programs, TRACIT

02:20 pm – 03.00 pm

PLENARY SESSION 6

Unmasking the Shadows: Socio-Economic Perspectives on Combating Illicit Trade

Opening Remarks

Mr. Anil Rajput, Chairman, FICCI CASCADE

Keynote Address by **Shri Anurag Thakur**, Union Minister for Information & Broadcasting and Youth Affairs & Sports, Government of India

Concluding Remarks

Mr. Anil Sinha, Former Director, Central Bureau of Investigation and Think Tank Member, FICCI CASCADE

03:00 pm – 04:30 pm

Valedictory Session

The Power of Judicial Interventions: Current Trends and Strategies for Combating Counterfeiting and Smuggling

- Law enforcement efforts, including investigations, intelligence gathering, and interagency cooperation to battle smuggling and counterfeiting.
- Identification of gaps and challenges in creating a comprehensive monitoring framework, including legal, technological, and privacy considerations.
- Best practices for adjudicating illicit trade cases, including evidence gathering, trial procedures, and sentencing.

Opening Remarks by **Justice Manmohan Sarin**, Former Lokayukta, NCT of Delhi, Chief Justice, High Court of Jammu & Kashmir, Judge, High Court of Delhi and Think Tank Member, FICCI CASCADE

Keynote address: **Hon'ble Mr. Justice K. V. Viswanathan**, Judge, Supreme Court of India

Anti-Counterfeiting and Anti-Smuggling Awards & Felicitation Ceremony
Enforcement Officers
School Children
Journalists

Concluding Remarks by **Mr. Sanjeev Tripathi**, Former Chief of RAW and Think Tank Member, FICCI CASCADE

SUMMARY REPORT



SUMMARISED REPORT

SUMMARISED *Report*

Illicit trade creates an enormous capital flow from outside of the economy, not only resulting in loss of revenue for government and industries, but also jeopardizing public health and safety, and enriching criminals who are undermining the rule of law. The financial drain caused by illicit practices not only entails a serious impact on legitimate business revenues and local economies, but financial resources are re-invested in activities like terrorism and organized crime posing a serious threat to national and international security.



FICCI CASCADE has been actively running campaigns with the aim of generating awareness amongst the public about the hazardous impacts of smuggling and counterfeiting, as part of its broader agenda to drive change in the society. FICCI CASCADE successfully hosted the ninth edition of its annual flagship conference, MASGRADE 2023 – Movement Against Smuggled and Counterfeit Trade on 28th - 29th September 2023 at ITC Maurya, New Delhi. The theme of this year's conference was “Tackling Illicit Trade: Socio-Economic Perspectives and Way Forward”. The conference facilitated substantive discussions among the stakeholders, analysing the detrimental socio-economic consequences of illicit trade. Additionally, it highlighted the international efforts required to combat terror financing in illicit trade, as well as the utilization of technology to detect and prevent such activities.

Addressing the inaugural session as the Chief Guest, Mr. Sanjay Kumar Agarwal, Chairman, Central Board of Indirect Taxes and Customs stated that India is emerging as a global force in international trade. In

this era of heightened interconnectedness transcending geographical boundaries, the challenge posed by illicit trade looms larger than ever. It undermines national security, poses risks to legitimate manufacturing, drains government revenue, poses severe risk to public health and safety, and erodes the trust of both consumers and investors. Mr. Agarwal stressed that addressing this issue is paramount to safeguarding India's economic stability, ensuring fair competition, and nurturing an environment conducive to sustainable growth and streamlined business operations. The CBIC assumes a pivotal role in the comprehensive battle against illicit trade, added Mr. Agarwal.

Speaking on the escalating figures of GST revenue, Mr. Agarwal emphasized that the GST revenue has consistently surpassed the threshold of Rs 1.6 lakh crores month after month. In the context of anti-smuggling efforts, Mr. Agarwal mentioned that customs officers maintain a vigilant watch over those engaged in unlawful activities, whether it involves smuggling activities or hiding illicit goods within legitimate trade



shipments. Furthermore, the CBIC is proactively investigating the adoption of advanced technologies to improve its operational capabilities.

In the video message Dr. Kunio Mikuriya, Secretary General, World Customs Organization emphasized the necessity for customs administrations to give precedence to risk management and profiling, relying on timely and precise information to combat these threats and smuggling risks. He highlighted the significance of intelligence exchange and analysis, incorporating the utilization of advance cargo and passenger information.

Mr. Anil Rajput, Chairman, FICCI CASCADE highlighted the diverse range of challenges such as inflation, recession, climate emergencies, and global conflicts, leading to heightened economic stagnation and distress worldwide. While the global economic state continues to fluctuate, the parallel existence of an illegitimate economy, represented by the surge in illicit

trading activities globally, has witnessed unprecedented growth. Illicit trade has been seen mostly from the prism of loss to the exchequer. However, it has many more facets that impact our society. This unscrupulous global business has its tentacles reaching far and wide and compromises the safety and security of nations due to their sinister linkages with organized crime networks and terror financing.

Our Hon'ble Prime Minister, Shri Narendra Modi has consistently emphasized the necessity to eradicate the root causes of terrorist financing. This clear directive from the highest echelons of the government underscores India's commitment to spearheading a global initiative against terror funding by eliminating the financial channels, added Mr. Rajput. Emphasizing that India is already a powerhouse and one of the world's most vibrant consumption environments, Mr. Rajput highlighted the collective efforts needed to ensure that illicit trade does not hinder our growth trajectory.





During the conference, FICCI CASCADE report titled 'Hidden Streams: Linkages between Illicit Markets, Financial Flows, Organized Crime, and Terrorism' was released. The report examined and revealed the hidden connections between smuggling and the funding of criminal activities and terrorism. The report also underlined the repercussions on the socio-economic structure of nations and presented a roadmap for the future to tackle the issue.

Mr. Anil Sinha, Former Director, CBI and Think Tank Member, FICCI CASCADE extended a warm vote of thanks and emphasized the necessity for collective strategic planning to combat the operations of illicit trade. He underscored the urgency for action, emphasizing the need to proceed in this direction.

Addressing the Day-2 of FICCI CASCADE's MASCRADA 2023, Mr. T. S. Tirumurti, Former Chair, United Nations Office of Counterterrorism (UNOCT) and Ex-Permanent Representative of India to the United Nations in his address on "Global Fight against Terror," emphasized four

prevailing negative trends in combating terrorism, including the impact of ideology leading to fragmentation, the specific geographical challenges faced in regions like Africa, the implications of new technology, and the pervasive issue of religiophobia. Drawing attention to the findings of the United Nations Global Terrorism Index, he highlighted the alarming statistic that 65 non-state actors have gained the capacity to utilize drones, easily accessible in public marketplaces.

He further elaborated on the proliferation of online activities, which have provided terrorists with ample opportunities to exploit users, particularly the youth demographic. Mr. Trimurti underscored the concerning trend of misusing fundraising avenues and adopting new payment methods with impunity. He said it is imperative to strike a balance between technological progress and robust counterterrorism measures for securing a peaceful and prosperous nation.

During the keynote address on "Unmasking the Shadows: Socio-Economic Perspectives on Combating Illicit Trade", Mr. Anurag

Thakur, Minister for Information & Broadcasting and Youth Affairs & Sports, Govt of India emphasized that the escalation of illicit trade presents a concerning fallout of globalization, casting a shadow on our aspirations of achieving a 5 trillion-dollar economy. He apprised that illicit trade, whether through activities such as smuggling, counterfeiting, or tax evasion, imposes a substantial socio-economic burden, hindering progress and driving up costs, thereby detaching us from crucial objectives.

The Minister further emphasized that illicit trade constitutes a multi-billion-dollar enterprise with far-reaching economic, social, and environmental ramifications, particularly accentuated during periods of economic downturn. He asserted that the need to protect our citizens and the world from these threats, stressing the necessity to strengthen law enforcement agencies,

enhance international cooperation, and enforce strict measures to address illicit trade at its root.

Mr. Thakur shed light on the interconnected relationship between illicit trade, organized crime, and terrorism which presents an imminent and apparent threat to global security, emphasizing the need for us to directly address this issue. Combating the widespread social and economic harms inflicted by illicit trade is now an essential priority, reflecting India's resolute dedication to preserving its hard-earned economic prowess and securing a prosperous future.

Addressing the Valedictory Session, Hon'ble Mr. Justice, K. V. Viswanathan, Judge, Supreme Court of India emphasized the influential role of judicial interventions, current trends, and strategies in the fight against counterfeiting and smuggling. Delving into the government's comprehensive efforts to combat





counterfeiting and smuggling within the nation, he shed light on the implementation of a multifaceted approach embedded within a robust judicial and legal framework. This framework entails the enforcement of stringent laws, coupled with proactive customs and border control measures to bolster the nation's defense against these unlawful practices. Expressing his appreciation, he commended FICCI CASCADe for orchestrating this profoundly pertinent and indispensable symposium, which serves as a platform to amplify the growing recognition of the gravity of the threat posed by illicit trade and its intricate ties to terror financing.

Justice Manmohan Sarin, Former Lokayukta, NCT of Delhi, Chief Justice, High Court of Jammu & Kashmir, Judge, High Court Delhi and Think Tank Member, FICCI CASCADe highlighted the notable strides India has taken in combating terrorism and its financing through regulatory measures, establishment of intelligence agencies, IT infrastructure and personnel capacity building.

Anti-Counterfeiting and Anti-Smuggling Awards were given to enforcement officers, school children and journalists during the Valedictory session who have actively supported and contributed towards the objective of combating the menace of illegal trade.

Throughout the two-day conference, renowned experts from both India and abroad delivered informative presentations and engaged in numerous enlightening panel discussions, underscoring the imperative for global collaboration in the fight against illicit trade by boycotting smuggled and counterfeit goods. The conference witnessed the involvement of numerous senior officials from government entities including CBIC, Department of Revenue, Directorate of Enforcement, Directorate of Revenue Intelligence, and along with active participation of prominent international organisations, such as UNODC, WCO, WIPO, INCB-UN, INTERPOL, JETRO, DKPTO, TRACIT, and subject matter experts from Denmark, Italy, France, Belgium among others.



INTEGRAL STRUCTURES

INAUGURAL SESSION



The issue of illicit trade has evolved into a critical challenge, encompassing a diverse range of problems, including counterfeit products, smuggling, and tax evasion. These activities have profound socio-economic consequences, jeopardizing national security, depleting government revenue, posing health and safety hazards, and eroding trust among consumers and investors. Effectively addressing this issue is crucial for preserving India's economic stability, fostering fair competition, and cultivating an

Inaugural Session

Mr. Sanjay Kumar Agarwal

**Chairman, Central Board of
Indirect Taxes and Customs**

environment conducive to sustainable growth and ease of doing business.

The Central Board of Indirect Taxes and Customs (CBIC) and the customs department play pivotal roles in combating illicit trade comprehensively. Notably, the recent surge in GST revenue figures consistently surpassing the 1.6 lakh crore mark month after month attests to increased compliance levels and underscores the substantial contributions of members of the trade and industry. The GST revenue collection of Rs.1.87 lakh crore in April is a historic high, marking a significant milestone for the economy. This revenue buoyancy, at 1.43 times the nominal GDP growth, indicates that the growth in revenue collection is not solely attributed to GDP growth but is significantly influenced by heightened compliance levels. The government acknowledges and assures the trade community of its commitment to

promoting self-compliance and creating an environment hostile to fraudulent activities. Recent decisions made during successive GST council meetings, aimed at refining return filing procedures, seek to curb the misuse of fake identities, meeting long-standing demands, particularly from sectors like iron and steel significantly impacted by counterfeit Input Tax Credits.

In an effort to boost retail-level compliance, the government has introduced the "Mera Bill Mera Adhikar" scheme, accompanied by a lottery scheme in select states and union territories, namely Assam, Gujarat, Haryana, Pondicherry, and Daman and Diu. Moreover, the department has adopted a lenient approach in nurturing taxpayers for timely and accurate filing, complemented by strategic risk analysis to select taxpayers for scrutiny and



audit, ensuring that less than 1% of taxpayers undergo this process. On the customs front, the department is fully committed to reducing logistics costs and aligning them with international standards in line with the objectives of the "Gati Shakti" program. Recognition of India's outstanding commitment to digitization and trade facilitation by the United Nations Economic and Social Commission for Asia and the Pacific underscores global acknowledgment.

Additionally, the department remains vigilant in its efforts against smuggling which is evident in significant seizures during the past financial year. Initiatives to safeguard India's cultural heritage and

biodiversity, combatting illegal wildlife trade, and leveraging cutting-edge technology for enhanced operations are underway. Collaboration with various enforcement agencies, particularly the Directorate of Revenue Intelligence, has facilitated international cooperation on cross-border smuggling, fostering greater global collaboration in this regard.

It is heartening to observe the proactive role played by FICCI CASCADE in raising awareness and contributing to the fight against counterfeit and smuggled goods. Let us collectively reaffirm our commitment to eradicating smuggled and counterfeit goods from our society, thereby contributing to the vision of a "Nasha Mukti Bharat."



A large, thick, green curved graphic element that starts from the top left and curves downwards and to the right, framing the text on the left side of the page.

In the face of the initial surge in inflation, attributed to disruptions in the global supply chain and heightened tensions in the geopolitical landscape, the recent G20 Summit in New Delhi stands as a commendable effort by India to bridge the gaps arising from global uncertainty. We extend our congratulations on the success of this significant endeavour, which unfolded against the backdrop of India's burgeoning economy, a testament to the steadfast commitment of the business community, prominently represented by the Federation of

A black and white portrait of Dr. Kunio Mikuriya, an elderly man with dark hair, wearing a dark suit jacket, a white shirt, and a patterned tie. He is looking slightly to the right of the camera with a neutral expression.

Inaugural Session

Dr. Kunio Mikuriya

Secretary General
World Customs Organization



Indian Chambers of Commerce and Industry (FICCI).

FICCI not only champions trade growth but also plays a pivotal role in combating illicit trade. With a longstanding history of collaboration with the government, FICCI has been at the forefront of aligning with Customs authorities to combat smuggling and counterfeiting. Illicit trade, indeed, deprives governments of vital revenues that could otherwise be directed towards essential public services.

Regrettably, an increasing number of nations find themselves entangled in conflicts due to the presence of both state and non-state armed forces along their borders, a situation referred to as "fragile borders." The resulting upswing in illicit trade is deeply troubling. While Customs revenue remains a vital source of national income in these regions, trade serves as a lifeline for countless small businesses in border areas. Illicit trade, however, is frequently employed as a source of financing armed forces and organized crimes, contributing to political instability and social upheaval.

Inequality and corruption often provide fertile ground for the outbreak of armed conflicts. A recent challenge is the exponential rise in e-commerce, involving small businesses and individuals, a trend accelerated during the COVID-19 pandemic. In the e-commerce landscape, traditional methods of revenue fraud, such as false declarations or undervaluation, pose greater challenges, as clients may not always be aware of Customs requirements. In this context, Customs agencies must strengthen their cooperation with e-commerce platforms and intermediaries to ensure responsible and compliant trade practices, preventin



g adverse effects on governments, consumer protection, and conventional consumer retailers.

Customs' mission extends beyond revenue collection to protect society from the cross-border influx of prohibited or controlled goods, including drugs, sub-standard or counterfeit medicines, car spare parts, weapons, and explosives. The societal cost of illicit trade is immense, tearing apart families, endangering public health and safety, and inflicting billions of dollars in losses on industries annually.

While Customs plays a crucial role in restricting the supply of harmful products at borders, addressing the demand side requires collaboration with organizations like FICCI to educate consumers about the detrimental effects of illegal goods. Businesses can also enhance their management of imported dual-use precursor chemicals to prevent their utilization in the production of Improvised Explosive Devices, a problem prevalent in the Asia-Pacific region, including India.

To combat these threats and smuggling risks, Customs administrations must prioritize risk management and profiling based on timely and accurate information, intelligence exchange, and analysis, including advance cargo and passenger information. The World Customs Organization (WCO) has developed numerous tools for information exchange, aiming at both fair and efficient revenue collection and societal protection.

The WCO has harnessed technology to improve the flow of enforcement information and intelligence through the Customs Enforcement Network (CEN). The Central Board of Indirect Taxes and Customs (CBIC) has provided financial support for visualizing CEN data, proving instrumental in identifying illicit trade trends and risks. Collaboration between industry and Customs to counter insider threats, as exemplified by the WCO-led Operation TIN CAN, showcases the potential for industry to be part of the solution. We anticipate further exploration of similar partnerships with our business counterparts.



In the contemporary global landscape, the jubilation surrounding India's successful G20 presidency is palpable. Heartfelt congratulations are extended to our Honourable Prime Minister, Shri Narendra Modi, for exhibiting commendable leadership during the G20 proceedings. Aligned with the profound theme of Vasudhaiva Kutumbakam, India's stewardship has been characterized by forward-thinking strategies. The adoption of "One Earth, One Family, One Future" reflects a collective commitment among



Inaugural Session

Mr. Anil Rajput
Chairman, FICCI CASCADE

leaders to tackle global challenges through collaborative efforts.

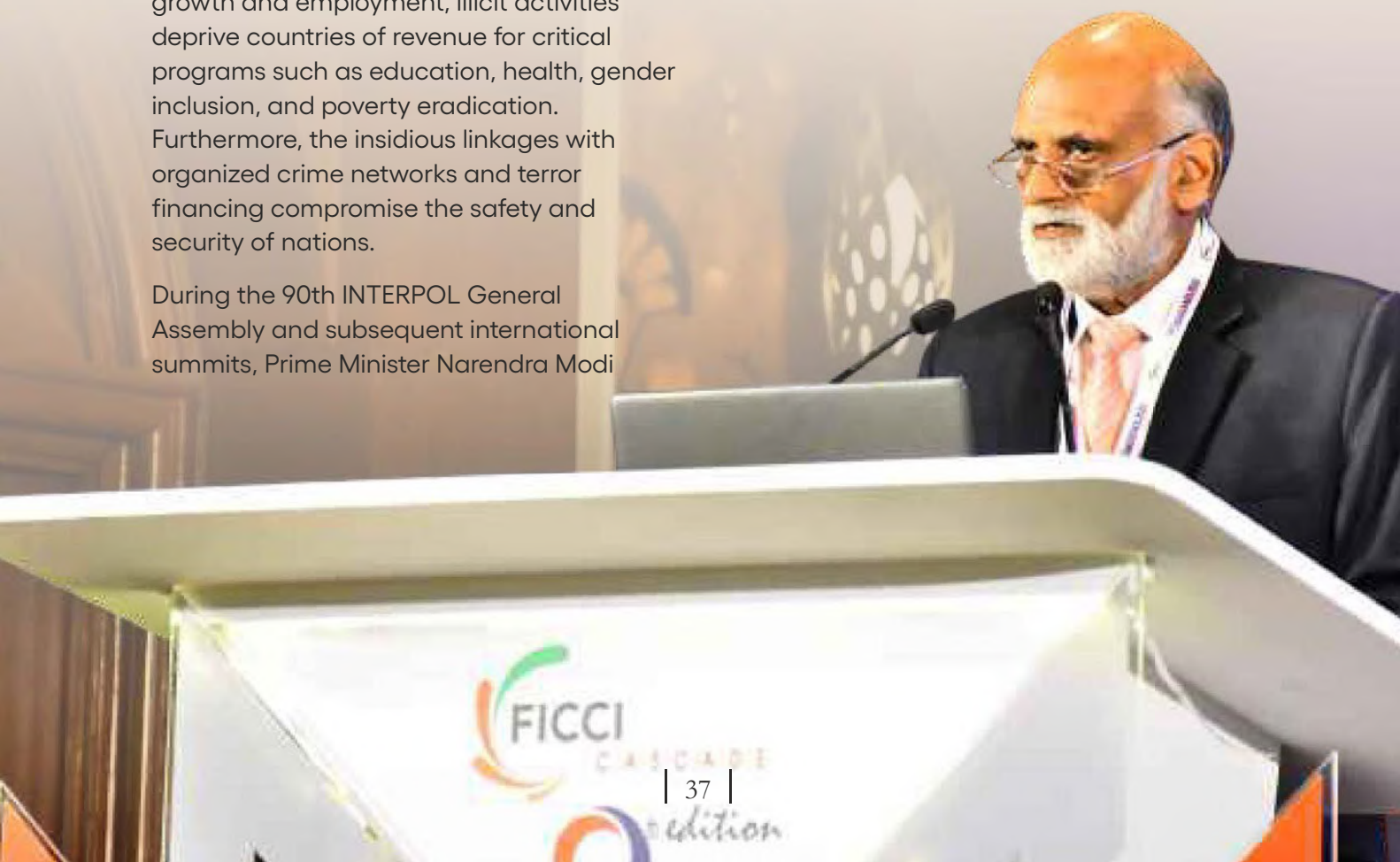
The prevailing challenges on a global scale, encompassing inflation, recession, climate emergencies, and geopolitical conflicts, have fostered economic stagnation and distress worldwide. Amid the oscillations in the global economy, the illicit economy has experienced unprecedented growth, fuelled by the surge in illicit trading activities across borders. The repercussions of illicit trade, involving smuggling and counterfeiting, permeate various sectors, hindering the progress of nations and disrupting social order.

According to the World Economic Forum (WEF), illicit trade led to an annual drain of US\$2.2 trillion in 2020, constituting approximately 3 percent of the world's GDP. The WEF Global Risks Report 2023 identifies illicit trade as a "global risk," foreseeing significant negative impacts over the next decade. Beyond hampering economic growth and employment, illicit activities deprive countries of revenue for critical programs such as education, health, gender inclusion, and poverty eradication. Furthermore, the insidious linkages with organized crime networks and terror financing compromise the safety and security of nations.

During the 90th INTERPOL General Assembly and subsequent international summits, Prime Minister Narendra Modi

emphasized the need for concerted efforts to eradicate terror funding originating from illicit sources such as smuggling. This commitment is underscored by the theme of MASGRADE 2023 – "Tackling Illicit Trade: Socio-Economic Perspectives and Way Forward." The focus on eliminating streams of terror funding aligns with the imperative to safeguard communities and economies.

Criminal organizations globally launder an estimated 2 to 4 trillion dollars annually, with a significant portion contributing to terrorism. The United Nations Commission on Crime Prevention and Criminal Justice identifies illicit activities as the second-largest source of income for criminal actions, including terrorism. The 2023 Global Terrorism Index Report highlights the longstanding connection between illicit trade and terrorism, revealing how organized crime generates illicit funds used by terrorist organizations for their nefarious agendas.





Notable terrorist groups, including Hezbollah, Hamas, al-Qaeda, and Lashkar-e-Toiba, exploit various criminal activities such as drug trafficking, counterfeiting, and smuggling to fund their operations. Each terrorist organization is supported by a sophisticated financial system, a foundation firmly laid through involvement in various illicit trade activities. The nexus between terrorism and illicit trade poses a heightened security threat, amplified by technological advancements, cryptocurrencies, and the dark net. Terrorist organizations leverage technology for anonymity, necessitating a comprehensive approach to address the financial underpinnings of terrorism. Illicit trade serves as the financial lifeblood of terrorist organizations, demanding a deterrent environment to thwart counterfeiting and smuggling profits. Counterproductive taxation policies, leading to increased illicit trade, must be addressed through a robust policy framework and effective enforcement mechanisms.

The report titled "Hidden Streams: Linkages between Illicit Markets, Financial Flows, Organized Crime, and Terrorism" underscores the pervasive threats posed by illicit financial flows to the global economy and security. It emphasizes the risks associated with growing global trade, particularly in India, where illicit financial transfers impede economic development and fund criminal and terrorist activities.

The Government of India's commitment to combating terrorism is evident through strategic interventions, including the establishment of the National Forensic Science University, the development of databases on crimes, and the creation of the Indian Cybercrime Coordination Centre. While policy frameworks are refined, cooperation strengthened, and enforcement tightened; the importance of a mass awareness strategy cannot be overstated. Public engagement through various media channels is essential to empower citizens in the fight against terror financing.

India's trajectory towards a \$30-40 trillion economy by 2047 requires harnessing the collective strength of its 1.4 billion citizens. Prime Minister Narendra Modi's assertion that a safe and secure world is a shared responsibility underscores the significance of international cooperation. The fight against terror funding and illicit trade transcends borders, necessitating a collective partnership to promote legal industries, punish illicit traders, and choke the flow of finance for terror funding.

To combat this multifaceted threat, a four-pillar approach is advocated:

1. Comprehensive Monitoring and Reviewing Framework: Cooperation, coordination, and collaboration at national and international levels for sustained corrective actions.
2. Capacity Building with Revolutionary Technologies: Enabling enforcement

machinery with AI and AIoT-based tools to monitor, track, and analyze data.

3. Strengthening Penal Provisions: Creating a deterrent environment for perpetrators through enhanced legal measures.
4. Mass Communication Strategy: Sensitizing consumers to the detrimental impact of illicit trade and associated financial flows, encouraging proactive involvement in safeguarding the future.

In conclusion, MASGRADE 2023's deliberations are anticipated to galvanize stakeholders into strengthened actions against the global scourge of illicit trade and terror financing. The comprehensive approach outlined encompassing international collaboration, technological innovation, legal reinforcement, and mass awareness, holds the promise of yielding concrete solutions in this critical endeavour.



MASCRADF is an opportunity—a platform where we collaboratively construct a narrative resonating on a global scale. This narrative seeks enduring significance by cultivating a synergy between industry concerns and the institutional response mechanisms of law enforcement. Through active participation, our collective goal is to address the challenges posed by dark money and financial crimes.

The success of the meticulously organized G20 summit, a widely

Inaugural Session

Mr. Anil Sinha

Former Director, CBI and
Think Tank Member, FICCI CASCADE

publicized event symbolizing a significant shift in global focus, is noteworthy. While the incorporation of the African Union is praiseworthy, it has brought forth specific obstacles. The deviation from established norms and protocols, accompanied by a troubling endorsement of fugitives involved in terror activities, demands our consideration. It is essential to recognize that the path ahead is not devoid of challenges, and it is our collective responsibility to unite in addressing this menace.


As emphasized by our Hon'ble Prime Minister, the valid apprehensions of people globally regarding terrorism, its funding, and the facilitation of such activities call

for united efforts. The perils posed by smuggling, counterfeiting, human trafficking, and drug peddling jeopardize human progress and entail substantial costs. Therefore, it is crucial to strategize and fine-tune endeavours to formulate a sustainable approach that garners global approval. In the onward trajectory, it is imperative to contemplate the necessity for substantial recalibration. It is incumbent upon us to come together, combining our efforts and intellect, to formulate strategies combating both financial and violent crimes. This juncture demands more than rhetorical expressions; it necessitates synchronized and determined actions.



Highlights of the Study:

hidden streams, leakages between illicit markets, financial flows, crime, and terrorism FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE) has unveiled an exhaustive report titled "Hidden Streams: Linkages between Illicit Markets, Financial Flows, Organized Crime, and Terrorism." This report casts a spotlight on the extensive perils posed by illicit financial flows (IFFs) to both global economic stability and security, with a particular emphasis on the risks inherent



Mr. Kaushik Dutta
Director, Thought Arbitrage
Research Institute (TARI)

in the burgeoning global trade, especially within the Indian context where illicit financial transfers can hinder economic development and fuel criminal and terrorist activities.

The scale of this predicament is monumental, as per United Nations estimates, the annual global amount of money laundered ranges from 2% to 5% of the global GDP, amounting to an astonishing \$1.9 trillion to \$4.75 trillion. Illicit trade, predominantly through trade mis-invoicing, accounted for 2.8% of global merchandise trade, totaling \$772 billion in 2022, as per the World Trade Organization. Moreover, illegal flows from crime, valued at approximately \$1.6 trillion in 2017, underscore the pervasive nature of the issue. The United Nations' framework defines IFFs as financial flows that are illicit in origin, transfer, or use, covering illicit tax and commercial practices, trade-based money laundering, illegal markets, corruption, and terror financing.

The report adopts the UN conceptual framework for illicit financial flows and conducts a thorough analysis of data from 122 countries pertaining to crime, illicit economic activity, and terrorism. By integrating data from diverse sources such as the Global Terror Index, Crime Index, Organized Crime Index, among others, the report establishes a statistical and empirical relationship. It delves into the economic cost of violence, reaching 12.9% of the global GDP in 2022, highlighting the substantial impact on economies and the costs associated with containment. Furthermore, the report explores the correlations between increased terrorism, crime, and the economic cost of violence, shedding light on the linkages between trade-based money laundering, smuggling, counterfeiting, and their contributions to funding terrorism.

These findings underscore the imperative for stringent measures to control illicit financial flows, emphasizing the interconnectedness of terrorism, crime, and economic costs.

Despite witnessing an improvement in its Global Terror Index score, India continues to grapple with a significant economic impact, constituting approximately 6% of its GDP. The report identifies risks stemming from extensive illegal markets, exposing vulnerabilities. A proposed course of action, encapsulated in the "6 C's," advocates for a unified regulatory framework encompassing terrorism and organized crime, continuous evaluation of financial flows, heightened consumer awareness, shifts in consumer preferences, international cooperation to combat trade-based money laundering, and efforts to contain economic costs. In conclusion, the report recognizes FICCI's pivotal role in addressing this multifaceted issue and extends gratitude to CASCADE members for their support. It underscores the critical need for global collaboration and proactive measures to alleviate the pervasive threats posed by terrorism, crime, and illicit financial flows.



PLENARY SESSION

PLENARY SESSION 1

**Protecting the Social Fabric
of Nations: Exposing the
lethal linkages of Illicit Trade
and Terror Financing**

Globalization has brought nations closer together and has increased trade but paradoxically it has also resulted in illicit trade. Unravelling these connections is not simply an academic exercise but a call to action, an urgent plea to safeguard the essence of societies.

Illicit trade, particularly in the form of smuggled and counterfeit goods, directly



Mr. Najib Shah

Former Chairman, Central Board of
Indirect Taxes and Customs and
Think Tank Member, FICCI CASCADE

jeopardizes economies. The evasion of taxes resulting from such activities leads not only to substantial revenue losses for governments and loss of jobs, but also undermines the fundamental economic structures sustaining nations as legitimate businesses also get impacted. Worse, such illicit trade in very many cases also acts as a conduit for terror financing. The repercussions thus extend beyond balance sheets.

The recent FICCI CASCADE study, 'Hidden Streams: Linkages between Illicit Markets, Financial Flows, Organized Crime, and Terrorism,' highlights the consequences of illicit trade, focusing on smuggled and counterfeit goods and their impact on the economy. It is crucial to recognize the broader implications of these non-tax-paid

goods circulating within the country. Such items generate proceeds outside the tax net and can be exploited for nefarious, anti-national purposes, posing serious security repercussions.

As we navigate the complexities of our globalized world, there is a need to understand that the consequences of illicit trade extend beyond economic losses, intertwining with the fabric of national security.

Initiatives like FICCI CASCADE play a pivotal role in this landscape, aiming to raise awareness and empower consumers to understand the detrimental effects of purchasing illicit goods. Encouraging responsible consumer behaviour is crucial, contributing to the overall well-being of the nation. The responsibility lies with everyone to contribute to protecting the social fabric.



The urgent global need to combat the financing of terrorism is currently at a crucial crossroads and pivotal moment. Financial systems are now more integrated than ever, while, concurrently, hundreds of millions of people, particularly in high-risk environments, face financial exclusion. In this context, the risks associated with terror financing have escalated, necessitating a robust response that adapts to rapidly evolving realities.

The acts of terror persist, facilitated by terror financing that relies on cash, digital payments, cyber-enabled fraud, amongst others. At both policy and operational levels, a risk-based approach, effective financial investigations, and enhanced public-private partnerships are of utmost importance. Ensuring intelligence sharing in compliance with human rights remains a fundamental element in our perspective.



Mr. Marco Teixeira
Regional Representative for
South Asia, UNODC

Terror financing networks often thrive on various forms of transnational crime, including illicit trafficking of arms, persons, drugs, cultural property, and natural resources such as precious metals, minerals, and wildlife. The funding sources vary depending on the local contexts and circumstances of each operative environment for terrorist groups. Extortion, kidnapping, and illicit taxation are typical methods employed by groups like ISIL and Al Qaeda to raise funds.

In regions where terrorist groups exert control, illicit taxation becomes a means of sustaining their business modules. These groups engage in a broad spectrum of activities, sometimes generating over 100 million US dollars per year. Institutional silos at national and international levels undermine our collective ability to dismantle and weaken the nexus between terrorism, military trade, and trans nationalized crime.



The United Nations Office on Drugs and Crime (UNODC) continues to advocate a holistic all-threat approach based on dynamic risk management to address and curb these phenomena. Collaborative efforts with Member States, private sector, civil society, and other stakeholders, including entities like the Financial Action Task Force (FATF) and Interpol, are critical in defining priorities, understanding risks, and implementing mitigating measures.

Technical assistance is focused on improving understanding and mitigating the risks associated with terrorism financing and disrupting related activities. This includes assisting Member States in assessing the potential misuse of economic sectors and activities by terrorism financing networks, developing innovative solutions, and increasing the capacity of law enforcement, criminal justice actors, security personnel, and regulatory institutions.

The international community must continue to work collaboratively to comprehensively understand the risks associated with counterterrorism financing and its evolving nature. Member States should utilize the full range of tools at their disposal to mitigate collateral impacts on individuals and entities engaged in regular trade activities. This holistic approach ensures that legitimate trade continues to facilitate economic value within a strong regulatory framework, protecting the legitimate financing methods of businesses.

Terrorist groups continue to demonstrate greater capacities for innovation and agility in adopting new funding methods and technologies, such as bitcoins, crowdfunding, and other innovative digital currencies. Working at both policy and capacity levels with partners is crucial to join forces and ensure that no funds are left for terrorism, aligning with the collective commitment expressed in the G20 Leaders Declaration.



Why do criminals engage in intellectual property crimes such as trademark or copyright infringement and counterfeiting? The allure lies in the exceptionally high rewards these activities offer. These criminal endeavours are highly lucrative, as they do not entail research and development costs, marketing expenses are minimal, and distribution costs are relatively low. Moreover, the absence of stringent quality control makes these operations attractive to counterfeiters, seeking quick profits with minimal risk.

Criminal organizations, much like any other business entities, seek diversification to mitigate vulnerabilities in different markets. Consequently, those involved in money laundering, arms trafficking, drug trafficking, and human trafficking often find themselves entangled in illicit trade. Notably, human trafficking victims in regions such as North Africa and Southern Europe are coerced into selling illicit goods in Western European cities to repay their traffickers.

The Organization for Economic Co-operation and Development (OECD) estimates a staggering \$464 billion in U.S. dollars for the international trade of

Mr. Todd Reves

Director of Building Respect for IP Division,
Global Challenges and Partnerships Sector, WIPO

counterfeit and pirated goods. This figure does not account for domestically produced and consumed goods or those involved in online piracy. A subsequent study by Frontier Economics projected a growth of \$991 billion in 2022. Regardless of the exact amount, the magnitude of the issue is substantial, especially evident in markets like unofficial markets where illicit trade poses a significant threat to innovation, development, and public health.

Illicit trade, encompassing counterfeit in electronics, and pharmaceuticals, has profound societal repercussions beyond health and safety concerns. The fate of seized goods, approximately 130,000 seizures valued at \$464 billion, is often incineration or landfill disposal. The environmental impact underscores the need for heightened awareness and respect for intellectual property. Recognizing that enforcement of laws alone cannot eradicate the problem, efforts should be concentrated on awareness campaigns. Organizations

like FICCI play a crucial role in this aspect, focusing on both the demand side, altering consumer perceptions from a young age, and the supply side, assisting member states in establishing effective enforcement framework.

Turning to the demand for illicit trade, factors influencing consumers include economic situations, pricing, knowledge about counterfeiting and smuggling, perceived product quality, and the institutional environment. Studies from institutions like Michigan State University's Centre for Anti-Counterfeiting and Product Protection reveal that consumers are driven by hedonic motives, seeking pleasure and happiness while avoiding harm or stigma. A recent multi-country study by the university highlighted that 52% of consumers knowingly bought counterfeits, 68% were deceived, and 21% were frequent buyers. Efforts should be directed at reducing these figures and altering perceptions surrounding the allure of counterfeit and smuggled products.



Currently, there is a proliferation of synthetic counterfeit drugs in the market, numbering fewer than 1000. These substances are primarily manufactured for recreational purposes, devoid of any associated medical benefits. They undergo production, trafficking, and distribution, being marketed under various names such as club drugs, legal highs, and research chemicals. Consequently, there is a global oversaturation of these drugs, presenting a substantial public health threat.

The peril emanates from the highly addictive nature of these substances, crafted to mimic traditional drugs like cannabis but with more unpredictable and potent chemical compositions. Synthetic opioids, functioning as painkillers, contribute to the addictive quality and potential harm to the body. The repercussions of consuming these potent drugs include irregular heartbeats, immediate intoxication, and, in extreme cases, fatal overdoses.



Ms. Shiela Kamdar

Regional Technical Officer for South Asia,
International Narcotics Control Board (INCB), UN

The trafficking of these counterfeit drugs is facilitated by their potency, necessitating only small amounts for the desired effects. Exploiting postal systems, thousands of letters and packages containing these substances are dispatched worldwide on a daily basis. Accessibility is further heightened through online platforms and social media, where vendors easily connect with buyers and disseminate these hazardous substances.

Efforts to address this crisis involve Public Private Partnership Meetings (PPPS) with various industries, including finance, postal services, and logistics. These meetings focus on educating these sectors about emerging substances, trends, and how to identify suspicious activities. Additionally, monitoring systems are in place to track online platforms and alert partners about potential trafficking activities.

Specialized training has been conducted for frontline officers, such as postal workers, customs officers, and food and drug regulators, to equip them with the knowledge to identify and handle these substances safely. The International Narcotics Control Board (INCB) actively collaborates with these sectors to raise awareness and address the challenges posed by synthetic drugs.

The surge in synthetic drugs poses a significant public health hazard due to their widespread availability, heightened potency, and ease of global trafficking. To address this pressing concern, the INCB adopts a comprehensive strategy, encompassing collaborative partnerships, vigilant monitoring systems, and educational initiatives. This multifaceted approach is crucial in effectively addressing the challenges posed by counterfeit drugs and mitigating potential risks to public health.



The framework of Italian law enforcement includes various forces, with the policy and prison police among them. The Guardia di Finanza is distinct, as it has additional tasks, particularly in contrasting fiscal, financial, and economic crimes. It is directly linked with the Ministry of Economy and Science. Over time, Italy has realized that seizing large quantities of drugs or weapons may impact crime networks, but the real blow is hitting their financial assets. This financial disruption is a true loss for criminal organizations. With a personnel strength of approximately 63,500, the Guardia di Finanza handles a variety of tasks. As the financial police, they engage in anti-smuggling operations, especially in the customs and energy products sector. In the realm of economic policing, they focus on protecting intellectual property and consumer rights.

The fight against smuggling has deep historical roots, dating back to 1776. Presently, controlling the flow of goods entering the European Union is of utmost importance, not only for combating tax evasion but also for preventing criminal



Mr. Marco Ferretti
Guardia di Finanza Attache,
Italy

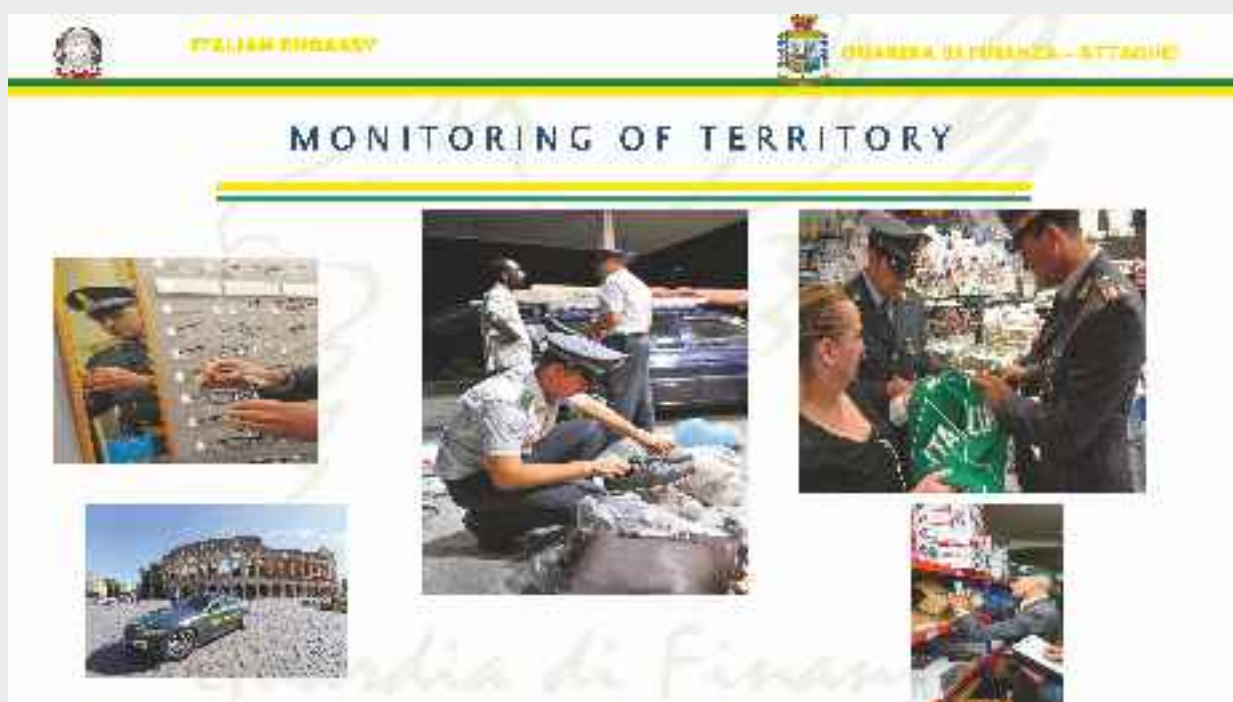
organizations from engaging in other illegal activities that disrupt the proper functioning of markets and compromise EU security. This includes activities related to arms, drugs, and terrorism.

The Guardia di Finanza operates at various entry points of the EU, such as ports, frontiers, maritime borders, mountain borders, and territory. Their activities involve customs control both within customs areas and beyond, using advanced technology like endoscopes and scanners. The focus is on targeting risk analysis and smuggling services.

The Guardia di Finanza collaborates internationally, utilizing joint investigative teams to gather information outside the national borders. This collaboration extends to organizations like Europol and Interpol. The illicit trafficking of petroleum products is another operational priority due to its impact on state revenues and fair competition. Combating counterfeiting is equally vital, affecting various sectors like

clothing, food, automotive, and furniture. Illicit trade not only leads to economic losses but also poses risks to consumer health and finances criminal activities such as illegal labour, tax evasion, and money laundering.

Guardia di Finanza's actions in this regard include monitoring imported products, especially in sectors crucial to Italy's economy. From January 2021 to May 2022, they conducted over 60,000 operations, resulting in the removal of 565 million illegal items from the market. Prevention is emphasized through consumer awareness, and the Guardia di Finanza uses an anti-counterfeiting information system to provide advice on avoiding counterfeit or dangerous products. The distribution of illicit commodities has expanded to online platforms, posing a challenge to law enforcement. The Guardia di Finanza is adapting to this shift, aiming to identify those behind the non-regulated sites and social network profiles facilitating illegal trade.



PLENARY SESSION 12



PLENARY SESSION

2

Panel Discussion



**The Power of Collaboration:
A Multilateral Approach to
Intelligence Sharing and
Strengthening Investigations**

There are numerous legal and organizational initiatives at the international, regional, and national levels. Organized international crimes and associated global challenges necessitate coordinated global partnerships to achieve meaningful results. The United Nations General Assembly adopted two crucial legal instruments: the International Convention for the Suppression of the Financing of Terrorism in 1999 and the United Nations Convention against Transnational Organized Crime and its Protocols in 2000. The adoption of Security Council Resolution 1373 (2001) is a significant new dimension in combating terrorism, emphasizing the importance of international cooperation, intelligence sharing and investigations.

The World Customs Organization (WCO), in collaboration with entities like Interpol and National Customs Administrations, is actively engaged in enforcement projects and operations. On January 17, 2023, WCO initiated the Customs Enforcement Network, a project focused on intelligence through data collection and visualization, with financial support from India through the Customs Cooperation Fund. Additionally, the International Narcotics Control Board

(INCB) introduced the Global Rapid Interdiction of Dangerous Substances (GRIDS) program, targeting new psychotropic substances and non-medical synthetic opiates. The collaborative efforts between WCO and INCB are anticipated to have a significant impact on curbing drug smuggling.

UNODC and WCO launched the Container Control Program (CCP) to help governments establish effective container selections and controls. This program utilizes interagency port control units, consisting of risk analysts

Session Chair

Dr. D P Dash

Former Pr. Director-General, DRI, and Former Chairman, Enforcement Committee, World Customs Organization (WCO) and Think Tank Member, FICCI CASCADE



and inspection teams from various law enforcement agencies, to systematically target high-risk containers for scrutiny while minimizing disruption to legitimate international trade.

Interpol, established 100 years ago for police interpolation, serves as the only organization authorized to share police information globally. Interpol's secure communication system, I-24/7, connects its 195 member countries, allowing access to 19 databases with real-time information. The Central Bureau of Investigation of India is encouraged to leverage Interpol's database by collaborating with agencies like Directorate of Revenue Intelligence.

Supported by Europol, UNODC, and the WCO Container Control Program, Interpol's Operation PANGAEA globally seizes illicit medicines, investigates social media platforms, and removes advertisements for illicit products. The global trade in illicit pharmaceuticals, estimated at \$4.4 billion USD, involves organized crime groups worldwide. The Financial Action Task Force (FATF) – Interpol Roundtable Engagement initiative, launched last year in Singapore, convened law enforcement, financial

intelligence, public policy, judicial officials, and industry and academia to address challenges in global asset recovery. Interpol's Global Rapid Intervention of Payments (IGRIP)- stops payment mechanism intercepted over \$200 million from cyber-enabled fraud.

Regionally, initiatives like Regional Intelligence Liaison Offices by the WCO and Europol's, European Multidisciplinary Platform Against Criminal Threats (EMPACT), and national efforts in India, such as customs mutual assistance agreements, the Customs Overseas Intelligence Network (COIN), and the National Anti-Smuggling Coordination Centre showcase collaborative approaches. India's Regional Customs Laboratory and Customs Training Academy contribute to global efforts. Cooperative mechanisms like the Fake Indian Currency Note Coordination Centre (FCord) and the multi-agency centre (MAC) for combating terrorism illustrate India's commitment to intelligence sharing. The National Coordination Mechanism and the Central Economic Intelligence Bureau further exemplify effective intelligence-sharing mechanisms in economic offenses.



The Japan External Trade Organization operates as a quasi-governmental entity with a primary mission to facilitate trade between Japan and other nations. Despite Japan grappling with a considerable influx of counterfeit goods, encompassing pharmaceuticals, healthcare devices, and a diverse range of items, it is crucial to highlight the extensive nature of counterfeiting. A meticulous analysis of Japan Customs' performance indicates a notable surge in the confiscation of counterfeit goods, particularly in the trademark and copyright sectors, underscoring the challenges in discerning patent and design infringements.

The transformation in trade dynamics, attributed to the rise of online commerce, has contributed to the upswing in illicit trade. This underscores the importance for collaboration among various government agencies, including customs, government, and the police. Notably, training programs for human resources within these agencies are identified as a critical component for effectively combating illicit trade.

The importance of raising awareness extends beyond government initiatives to encompass the consumer base. International collaboration is deemed indispensable, prompting the Japanese government and companies to conduct campaigns, seminars, and awareness programmes aimed at educating and



Mr. Hiroki Watanabe
Director IPR and Director IP
Attache for South Asia, JETRO

Involving consumers in the battle against counterfeiting and smuggling. Diverse initiatives, such as videos, seminars, and contests, exemplify Japan's commitment in enhancing global consumer awareness.

In conclusion, the continued focus on raising awareness, fostering collaboration, and providing training is crucial for effectively addressing counterfeiting, both within the country and in coordination with other nations.



Causing harm to health and threats to consumer safety

Medicine (Consumer Right)



Infant car seats (Consumer Right)



Phone (Consumer Right)



Conveyor belt rollers (Consumer Right)



Trucking equipment (Consumer Right)



Shoe (Consumer Right)



© 2021 Japan Customs and Border Protection Agency. All rights reserved.

Anti-counterfeiting efforts ; Japan Customs

- In 2021, Japan Customs seized 28,270 cases and 813,411 items for intellectual property infringement.
- Intellectual property infringement and trademarked goods trade cases (import, export) are increasing due to the lower quality and poor quality. As a result, small parcels and shipping units are increasing because of the increase in e-commerce.

Category	2019				2020	
	Value (Billion Yen)	Volume (Million Items)	Value (Billion Yen)	Volume (Million Items)	Change (%)	Change (%)
Patent	1,100	1,100	1,100	1,100	0.0%	0.0%
Copyright	1,100	1,100	1,100	1,100	0.0%	0.0%
Trademark	1,100	1,100	1,100	1,100	0.0%	0.0%
Other	1,100	1,100	1,100	1,100	0.0%	0.0%
Total	4,400	4,400	4,400	4,400	0.0%	0.0%

© 2021 Japan Customs and Border Protection Agency. All rights reserved.

The realm of illicit trade encompasses drug trafficking, arms trafficking, human trafficking, wildlife trafficking, and organ trafficking, presenting a disconcerting picture. The illegal trade of organs is particularly troubling, alongside activities such as tobacco smuggling, art theft, cybercrime, and money laundering.

Counterfeited goods, involving the illegal trade of fake or imitation products like electronic devices, luxury goods, pharmaceuticals, tobacco, and toys, pose significant challenges. Criminals target anything that promises profit, contributing to an estimated total value of counterfeiting



Mr. Michael Poulsen
Head of International Projects,
Danish Patent and Trademark Office (DKPTO)

in the U.S. reaching a staggering \$464 billion. Globally, counterfeit goods account for 2.5% of total trade, and in the EU, up to 5.8% of imports from third countries are presumed to be counterfeited, emphasizing the substantial impact on the economy.

The connection between illicit trade and organized crime or terrorism is evident, driven by the appeal of high profits and minimal penalties. Penal sanctions for violating IP rights are considerably lower than those for drug offenses, attracting criminals to sectors with significant turnover and low penalties. The detection of counterfeits is increasingly challenging, attributed to advanced production techniques and limited legal repercussions. Health and safety risks associated with illicit products, such as toys, olive oil, cosmetics,

and fake drugs, are alarming.

Addressing the fight against counterfeiting and smuggling requires a multifaceted approach. Strengthening rights, implementing a robust legal framework, raising public awareness, and ensuring decision-makers grasp the severity of the issue are essential steps. Pivotal aspects involve resource allocation, enhancing packaging and labelling, conducting thorough cost analysis, and enabling enforcement authorities to differentiate between counterfeit and authentic products. Additionally, tackling the challenges posed by online counterfeiting demands international cooperation, regular information sharing, and public-private collaboration, underscoring the need for a comprehensive and concerted effort.



Numerous stakeholders, such as trade associations, federations of companies, rightsholders, and customers, are actively involved in addressing the challenges of counterfeiting and smuggling. In France, two noteworthy initiatives have been implemented to combat these problems. The first initiative is the French National Anti-Counterfeiting Committee (CNAC), established in 1995 and placed under the Ministry of the Economy and Finance in France. CNAC serves as an informal platform, uniting public and private partners dedicated to the fight against counterfeiting. Recognizing the importance of high-level involvement, the committee is chaired by a member of the French Parliament. The committee's key actions involve exchanging information and experiences, strengthening the judicial system, making government proposals, and raising public awareness.

The CNAC operates through working groups, each co-shared by a member of the public and private sectors. These groups focus on public owners, legal issues, online counterfeiting, and international cooperation. The collaboration within these groups aims to facilitate institutional cooperation, inform and support stakeholders, identify best practices globally, and contribute to France's attractiveness while combating counterfeiting.

The second initiative, France Anti-Counterfeiting Program, was launched in September 2022 by CNAC and the French Intellectual Property Office. This program aims to gain a comprehensive understanding of counterfeiting in France by bringing together players from the economic, academic, and legal realms. The three main objectives include bringing all involved parties together, utilizing existing data to characterize counterfeiting's nature and impact, and proposing new tools to enhance the fight against such illicit activities.



Mr. Sébastien CONNAN
Regional Counsellor Intellectual Property
India & South Asia, Embassy of France

FRENCH ENTITIES FIGHTING COUNTERFEITING

PUBLIC ENTITIES

- **Ministries :** *Economy, Foreign Affairs, Culture, Interior, Justice*
- **Directorate-General for Enterprise (DGE)**
- **Customs**
- **Directorate-General for Competition Policy, Consumer Affairs and Fraud Control (DGCCRF)**
- **INPI**
- **Directorate-General of the Treasury**
- **Gendarmerie**

PRIVATE ENTITIES

Rights holders

- **Associations of rights holders:**
UNIFAB (Union of the Manufacturers), LEEM (the French industry association representing drug companies operating in France), IRACM (the International Institute of Research against Counterfeit Medicines)
- **Federations:**
Mechanical industries, wine, champagne, cognac, clothing, watchmaking, construction, etc.

Partners involved in this initiative include Directorate General of Customs and Excise, Federation of Mechanical Engineering Industries (FIM), the Confederation of SMEs (CPME), the Centre of International Intellectual Property Studies (CEIPI), and the Union of Manufacturers (UNIFAB). The program seeks to establish national indicators, conduct studies on

counterfeiting in specific sectors, understand the involvement of SMEs, contribute through academic works, and improve awareness campaigns.

As an illustrative example, the National Custom Intelligence Investigation Directorate conducted a significant operation against online counterfeiting, known as the Poke Zone case. Collaborating with European partners, the operation resulted in the seizure or blocking of more than 16 million counterfeit products, primarily ties from China, between December 2020 and September 2022.

INPI'S INTERNATIONAL NETWORK COVERING AROUND 100 COUNTRIES




The World Customs Organization's key focus is on enhancing international cooperation, coordination, and cross-border collaboration. Recognizing the transnational nature of smuggling and counterfeiting, it has become imperative to share best practices and intelligence. This collaborative effort, often through joint investigations, allows participating countries to pool resources, expertise, and evidence, leading to the identification and dismantling of criminal operations.

The customs officers of Belgium are actively engaged in joint investigations with entities such as Europol, Interpol, and EMPACT (European Multidisciplinary Platform Against Criminal Threats). Notably, these cross-border collaborations have yielded significant results, including the dismantling of illegal production sites, seizures of millions of cigarettes and tons of tobacco, with a total value exceeding 130 million euros. Unfortunately, these efforts have also revealed that Belgium is increasingly becoming a major hub for illegal tobacco production and trade due to its central location and neighbouring countries' excise rates.

The second highlighted point is the importance of sharing best practices and capacity building. Recognizing the challenges faced by countries in combating smuggling and counterfeiting, the sharing of best practices and capacity building

initiatives can enhance the efficiency of customs procedures. Belgium has been a pioneer in this regard, posting customs attaches in critical markets since 2008. These attaches play a crucial role in advising Belgium companies on imports, connecting with law enforcement agencies, and promoting bilateral cooperation. A noteworthy achievement in bilateral cooperation is the signing of a letter of intent

A black and white portrait of Mr. Stefan Kessen, a man with short dark hair and glasses, wearing a dark suit, white shirt, and dark tie. He is looking slightly to the right of the camera with a neutral expression. The background is a solid dark color.

Mr. Stefan Kessen
Customs Attaché,
Embassy of Belgium



between Belgium customs and Indian customs during the World Customs Organization Council sessions in Brussels. This marks a significant step towards concrete collaboration and the sharing of expertise on specific topics.

The third point emphasizes the role of technology, particularly artificial intelligence, in addressing the challenge of narcotics trafficking. With Belgium facing a substantial inflow of cocaine from Latin America, artificial intelligence is seen as a critical tool to analyse scan images efficiently. Belgium is collaborating with India, leveraging the expertise of the

National Customs Targeting Centre (NCTC) in Mumbai, which has already made progress in this area. This collaboration is mutually beneficial, with Belgium offering insights into e-commerce risk management.

International cooperation and collaboration also require harmonization of laws and regulations related to customs procedures, and law enforcement practices. Aligning these frameworks can create a unified approach in the fight against fraud, reducing the opportunities for criminals to exploit jurisdictional differences.

The final point underscores the need to embrace the digital age and implement technologies such as data analytics, blockchain, and advanced detection equipment. While these innovations offer opportunities for customs and law enforcement agencies, they also pose challenges, as organized crime adapts to exploit modern technologies. International collaboration, information sharing, capacity building, technological advancements, and legal harmonization are essential elements in the ongoing fight against smuggling and counterfeiting.



OPENING SESSION DAY 2



OPENING SESSION | DAY 2

MASCRADE 2023 stands as a significant conference addressing the critical issues of illicit trade, exploring socioeconomic perspectives, and charting a way forward. The deliberations of the preceding day were truly enlightening, exposing the profound impact of illicit trade and its far-reaching consequences. It is well known that the scourge of smuggling and counterfeiting has morphed into a grave economic menace, with irrefutable proof of its growing ties to terrorist organizations' financial networks. The unchecked expansion of these illicit activities stands as an overarching menace, wreaking havoc on our economy at every level. Its sinister shadow extends far beyond our borders, tarnishing 'Brand India' on the global stage and precipitating dire societal repercussions.

In response to this pressing challenge, CASCADe has embarked on an unwavering mission to illuminate the detrimental effects of illicit trade on our society and economy. This tireless campaign is aimed at enlightening consumers, policymakers within the government, and the diligent enforcement agencies.

Recent times have witnessed a disturbing surge in the spectrum of counterfeited and smuggled products, ranging from luxury items to everyday consumer goods and

essential health and safety items. These illicit enterprises pose a menacing threat not only to local brands but also cast a shadow on global markets. The consequences extend beyond consumer's well-being, inflicting substantial financial losses on government revenue. For instance, a study



Mr. P C Jha

Advisor, FICCI CASCADe and Former Chairman,
Central Board of Indirect Taxes and Customs

conducted by FICCI CASCADE for the financial year 2019-20 revealed a staggering loss of revenue amounting to Rs. 58,000 crores in just five sectors, with a sales loss of Rs. 2,60,000 crores to genuine industries.

The proliferation of illicit trade can be partially attributed to the rapid advances in digital technology and other contemporary factors that inadvertently facilitate and amplify smuggling and other illicit trade activities. The proceeds from the sale of counterfeit, smuggled, and contraband products play a significant role in funding criminal activities worldwide. This escalating menace necessitates a closer partnership between industry and law enforcement agencies.

Illicit activities disrupt the smooth functioning of the government machinery, resulting in substantial revenue losses for the nation and posing profound social hazards. The urgency lies in collectively addressing this multifaceted challenge to safeguard our economy, society, and security. India, as a rapidly developing nation, holds immense economic promise, currently ranked as the fifth-largest economy globally and the third largest in terms of purchasing power parity. However, activities like illicit trade pose a severe threat to India's promising future and its ambitious goal of achieving a \$5 trillion economy by 2025.

To make significant headway in curbing this menace, a united front from all stakeholders is imperative. The judiciary, law enforcement agencies, various government departments, and consumers must collaborate in a concerted effort to establish a robust defence against the proliferation of illicit trade. Failure to take such collective action leaves us vulnerable and makes it increasingly challenging to combat this pervasive threat.

It is a herculean task to mobilise the entire community to undertake concerted action against illicit trading. FICCI CASCADE has not only raised awareness but has also fostered robust dialogue on the perils of smuggling and counterfeiting on a national scale. Since its inception in 2011, FICCI CASCADE has organized impactful awareness programs and initiatives, engaged diverse audiences, and left a positive and lasting impact on the society. The commendable initiative to recognize and honour the dedication of enforcement officers, journalists, and schoolchildren actively championing the cause deserves appreciation. Their exceptional contributions have played a pivotal role in elevating the discourse surrounding illicit trade, offering valuable insights into strategies for mitigating emerging threats, challenges, and vulnerabilities. Importantly, it underscores the central role of consumers in our collective battle against smuggling and counterfeiting, placing CASCADE's efforts at the forefront of this critical issue.



Throughout India's tenure on the UN Security Council spanning from 2021 to 2022, a key emphasis was placed on the worldwide efforts to combat terrorism. In 2022, India also chaired the Security Council Counter-terrorism Committee. This period has witnessed the emergence of four significant and interconnected contemporary trends—ideology, geography, technology, and religiophobia that pose serious challenges to our collective efforts against terrorism.

The turning point in the fight against terrorism was the tragic event of September 11, 2001. Before this, the world was divided into "your terrorists" and "my terrorists." The aftermath of 9/11 revealed that terrorism could have far-reaching consequences, affecting regions beyond where it originated. The world transitioned from a fragmented approach to a collective fight against terrorism. The UN Security Council passed Resolution 1373 on September 28, 2001, marking a commitment to combat terrorism globally.

However, a disconcerting scenario is currently unfolding at the global level. There is a risk of reverting to the era of "your terrorists" and "my terrorists." The first contemporary trend involves a fragmentation of the global fight against terror. The recent Global Terrorism Index for

2023 highlights ideologically motivated terrorism as a prevalent threat in the West, with a focus on far-right terrorism. Europe, for example, identifies right-wing violent attacks as its primary terrorist threat, causing a defensive posture that hinders participation in counter-terrorism efforts in other regions.

The United States is grappling with racially and ethnically motivated violent extremism, narrowing its focus on domestic threats.



Mr. T. S. Tirumurti
Former Chair, UN Security Council
Counter-terrorism Committee and Former
Permanent Representative of India to the UN

China's geopolitical interests sometimes override the global fight against terror, as evidenced by its blocking of India's attempt to list terrorists under UN Security Council Resolution 1267 sanctions. A dangerous example of fragmentation is seen in Canada, where there is reluctance to recognize and condemn terrorism on its soil, specifically concerning the Canadian Khalistani terrorists. This poses a significant challenge to the collective fight against terror, as countries prioritize political expediency over a united stance against terrorism.

The second contemporary trend, geographically, highlights the escalating intensity of terrorism in Africa, particularly in the Sahel region. The UN Global Terrorism Index for 2023 emphasizes the Sahel as the epicentre of terrorism, constituting 43% of global terrorism deaths in 2022. The Sahel faces military takeovers and changing governments in response to rising terror attacks.

During India's tenure in the Security Council, efforts were made to combat double standards, terror financing, and the blockage of terrorist listings. Despite challenges, the listing of Abdul Rehman Makki, chief of Lashkar-e- Taiba, marked a significant achievement.

The third contemporary trend involves the use of new and emerging technologies for terrorism purposes. The landmark Delhi Declaration, adopted during a special Security Council Counter-terrorism Committee session in October 2022, addresses the exploitation of information and communication technologies, threats posed by unmanned aerial systems, and countering terror financing through payment technologies. The proliferation of online activities, including on gaming platforms, has provided terrorists with new avenues for recruitment and radicalization.

The fourth trend relates to the attempt to politicize phobias against religions to justify

terrorism. While the UN traditionally condemns phobias against Abrahamic religions, there is a concerning trend of using Islamophobia as a pretext to justify and condone terror. Efforts to introduce references to Islamophobia in global counter-terrorism strategies have been met with resistance. Furthermore, there is a lack of recognition of attacks and hatred against non-Abrahamic religions, including Hindus, Sikhs, and Buddhists. The rise of Hindu phobia, especially in the West, poses a challenge to the existing secularism and political civil rights framework.

In conclusion, these four immediate challenges—fragmentation of the global fight against terror, geographic intensification of terrorism, misuse of technology, and the politicization of religiophobia—demand collective resolve and efforts. The trends are expected to worsen, inviting stronger reactions, and potentially causing a downward spiral. In an era of increasing geopolitical polarization, international conferences must foster greater understanding and collaboration to ensure a united front against terrorism.



DEALS S-3



PLENARY SESSION

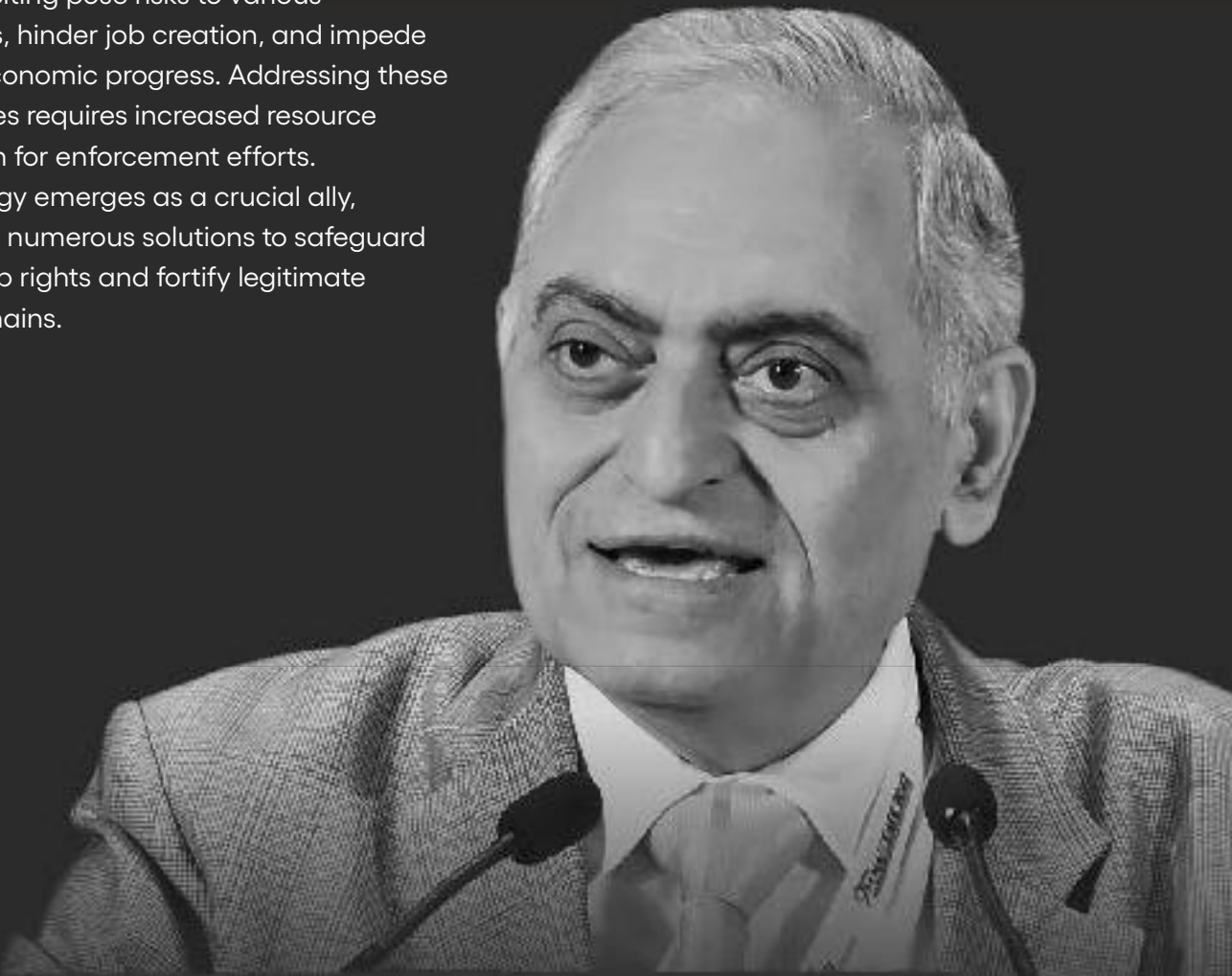
Panel Discussion

3



**Harnessing the Power of
New Age & Emerging Technologies
in Preventing Illicit Trade**

The session is centered on harnessing advanced and emerging technologies to combat illicit trade, a critical initiative for safeguarding India's journey towards a \$5 trillion economy. The looming threats of smuggling and counterfeiting pose risks to various industries, hinder job creation, and impede overall economic progress. Addressing these challenges requires increased resource allocation for enforcement efforts. Technology emerges as a crucial ally, providing numerous solutions to safeguard ownership rights and fortify legitimate supply chains.



Mr. P K Malhotra

Former Secretary, Ministry of
Law & Justice, Govt. of India and
Think Tank Member, FICCI CASCADE

However, the market for anti-counterfeiting technologies is extensive and intricate, with rapidly evolving information not easily accessible. The integration of new-age and emerging technologies, including artificial intelligence, machine learning, blockchain, and data analysis, serves as a vital catalyst in the ongoing battle against illicit trade. Beyond their adeptness in identifying and preventing unlawful activities, these advancements are the cornerstone for developing a secure and transparent global trading system.

Moreover, their ability to meticulously distinguish genuine products by examining packaging, holograms, and security seals utilized by legitimate companies not only aids in curbing the consumption of smuggled and counterfeit goods but also plays an indispensable role in cultivating a more resilient, trustworthy, and robust marketplace. Navigating the intricate landscape of anti-counterfeiting technologies requires collaborative efforts

between government bodies, private enterprises, and technological innovators. Establishing a cohesive framework for information sharing and research collaboration is paramount in staying ahead of the rapidly evolving tactics employed by illicit trade networks. Fostering an ecosystem that encourages the development and deployment of cutting-edge technologies becomes instrumental in bolstering the effectiveness of enforcement measures. Initiatives such as research grants, public-private partnerships, and knowledge-sharing platforms can fuel the innovation needed to counteract the adaptability of illicit trade. By embracing a multidimensional approach that integrates legislative measures, technological advancements, and collaborative strategies, India can not only mitigate the immediate threats posed by illicit trade but also fortify its position as a global economic powerhouse committed to ethical and transparent trade practices.



In the contemporary, technology-driven era, illicit trade has progressively shifted to the online realm, capitalizing on a variety of emerging technologies. While new technologies present opportunities to curb such illegal activities, cybercriminals are also finding innovative ways to exploit these advancements for their nefarious purposes. The impact of illicit trade is becoming more evident on a global scale, affecting economies worldwide. Illicit trade, with its appeal for easy profits and efficiency, has gained popularity, finding a substantial market. However, amidst this scenario, the emergence of new technologies presents an opportunity to combat the menace of illicit trade by leveraging these advancements.

The World Economic Forum estimates the value of illicit trade at nearly \$3 trillion, constituting 10% of global trade and 8-15% of the global GDP. The integration of remote sensing, especially 3D imaging, holds potential for tackling issues associated with illicit trade by enabling efficient intervention in monitoring the movements of illegal drugs. The landscape shifted on November 30, 2022, with the introduction of Chat GPT, raising concerns about its potential misuse, particularly in cybercrime. Cybercriminals have already begun exploiting this tool, highlighting the imperative for coders to incorporate protective measures. The subsequent launch of GPT-4 in March 2023

brings a more advanced AI version, attracting cybercriminals and emphasizing the need for legal frameworks. While existing Indian cyber laws may not explicitly address current issues, their evolution is crucial. Amid technological advancements, cybersecurity takes center stage, acting as a vital shield against illicit activities, requiring businesses to integrate it as a fundamental aspect of operations for robust economic progress.

Dr. Pavan Duggal

Advocate, Supreme Court of India, Expert and Authority on Cyber Law, Cyber Security Law, Artificial Intelligence Law & E-commerce law

In the current landscape, blockchain technology has grown significantly, expanding its scope beyond its initial association with cryptocurrencies such as Bitcoin. Despite its potential for positive uses, there is a troubling trend wherein cybercriminals exploit blockchain for illicit activities, particularly in the realm of illegal trade. This underscores the need for the creation of suitable mechanisms to counteract misuse. Cryptocurrencies such as Bitcoin and Ethereum have transformed into default currencies for illicit traders, given their inherent difficulty to trace and posing challenges for prosecution.

Illicit traders are leveraging another technology, the Internet of Things (IoT), to devise innovative approaches for the misuse of both IoT and the Internet of Behaviors (IoB) in order to facilitate the proliferation of illegal activities. Effective regulation is an essential step to address this emerging trend. Despite the widespread use of facial recognition technology, illicit traders are devising new methods, including the use of sophisticated face masks to bypass facial recognition mechanisms. This underscores the importance of staying ahead in the regulatory landscape to counteract emerging contours of illegal activities in the evolving technological landscape. The emergence of technologies such as the metaverse promised to herald a new era. Illicit traders have initiated operations within the metaverse, utilizing avatars to facilitate the exchange of illegal products. This emphasizes the need for robust regulation in this dynamic environment to tackle and prevent illicit activities within the metaverse.

Web 3.0 is the latest buzzword in emerging technologies, representing a decentralized economy. However, cybercriminals are increasingly leveraging this decentralized model to perpetuate and expand illicit activities within crypto systems and crypto assets. The rise of digital assets has turned individuals into global data entities,

generating valuable assets. Stealing these digital assets has become a newfound passion for cybercriminals, infiltrating networks, hacking systems, and creating spurious copies of assets. The dark net, an entirely anonymous and identity-free realm accessible through browsers such as the Onion Browser, has transformed into a refuge for illicit traders. Within this space, cybercrime functions as an economy, and a recent development is the rise of cybercrime as a service, powered by artificial intelligence. Criminals now delegate illegal activities through the dark net, conducting transactions with Bitcoin and other cryptocurrencies, rather than engaging directly in illicit actions. These activities are then carried out by unidentified individuals employing artificial intelligence algorithms, posing a significant challenge for law enforcement agencies to pinpoint and apprehend the actual culprits.

Recognizing the constant evolution of new-age technologies is important for acknowledging emerging legal and policy issues, urging collaborative efforts among stakeholders to address them collectively. To effectively combat illicit trade, it is important to embrace a substantial shift towards transparency. Harnessing advanced



technology, especially in the domains of law enforcement and surveillance, can play a pivotal role in addressing this threat. However, the increasing deployment of sophisticated surveillance technologies and artificial intelligence by law enforcement agencies gives rise to apprehensions regarding privacy infringements and potential human rights issues. Striking a slight balance between safeguarding individual rights and protecting the

legitimate interests of businesses is imperative.

As the landscape rapidly evolves, ongoing cooperation between stakeholders is necessary to balance security needs with ethical considerations and develop robust yet rights-respecting regulatory frameworks. With a collaborative approach that leverages the opportunities as well as mitigates the risks of new technologies illicit activities can be curbed in the digital era.



Technology plays a dual role, both advantageous and detrimental, in the context of illicit trade. On one hand, it facilitates convenient access to counterfeit goods online, enabling anonymous transactions delivered directly to consumers' doorsteps. Conversely, emerging technologies offer the potential to combat piracy and counterfeiting more effectively. Enhanced detection and tracking technologies are already in operation, identifying counterfeit goods in international trade and allowing for the seamless flow of legitimate products while intercepting fraudulent ones. Blockchain and Artificial Intelligence demonstrate

A black and white portrait of Mr. Todd Reves, a middle-aged man with short dark hair, wearing a dark pinstriped suit jacket, a white dress shirt, and a dark patterned tie. He is looking slightly to the right of the camera with a neutral expression. The background is a solid olive green color. The portrait is partially overlaid by a yellow and red diagonal graphic element in the bottom right corner.

Mr. Todd Reves

Director of Building Respect for
IP Division, Global Challenges and
Partnerships Sector, WIPO

potential for broader-scale monitoring and interception of illicit activities online. Collaboration is further fortified through technological advancements, exemplified by platforms such as the WCO Customs Enforcement Network, enabling customs officers to securely share information globally. WIPO contributes to fostering cooperation among member states.

WIPO employs various systems to enhance enforcement efforts, including WIPO Alert. This system identifies websites that distribute pirated content. National authorities provide lists of infringing sites to WIPO, which then shares this information with advertisers. This proactive approach

hinders the funding of pirate sites by preventing the display of ads. In parallel, WIPO operates a complementary system known as WIPO Alert Pay. This system aims to disrupt payment processing for sites that profit from subscriptions to pirated content.

While technology opens new avenues for counterfeiting, it also presents promising solutions if appropriately harnessed through strengthened international cooperation. Platforms like WIPO play a pivotal role in facilitating information sharing between member states and private partners. The ultimate objective is to outpace illicit actors through continuous innovation in detection and prevention.





WIPO ALERT PAY

Collaboration Between Right Holders and Payment Processors

Secure platform for voluntary cooperation with payment processors to prevent online sales of counterfeit goods and subscription/pirate TV services.

Payment processors use WIPO ALERT PAY to verify the authenticity of merchants for their online services.

Effective and reliable system to prevent counterfeit goods.

WIPO




WIPO IPAS Customs Recordation and Information System



```

graph TD
    IPAS((IPAS)) --> MS((Member States))
    MS --> CHIS((CHIS))
    CHIS --> IPAS
    
```

WIPO



IPAS Customs Recordation and Information System

Step 1:
Questionnaire and study on national customs recordation and IPAS.

Step 2:
Plan a possible record WIPO Member States.

Step 3:
Put it out in the WIPO CHIS.

WIPO

Within the organization, the Enterprise Brand Protection Council has been established to facilitate close collaboration with legal, compliance, commercial regulatory, and finance teams. Its primary objective is to address issues related to illicit trade, counterfeiting, and tampering. This collaborative effort encompasses all stages of organizational processes, from research and development and raw material manufacturing to end-to-end business value and supply chain.

Engaging in collaborative endeavors with consumer product organizations, actively sharing best practices, and exchanging key findings empower the organization to advocate for addressing issues related to illicit trade. This collaborative approach extends to establishing close partnerships with industry associations, notably with a strong working relationship with FICCI CASCADe, particularly in the APAC region.

In combating illicit trade activities, technology plays a pivotal role in detecting and preventing strategies. To strengthen market presence, the organization prioritizes addressing product returns through meticulous auditing and scanning. The organization also undertakes extensive online enforcement efforts, seamlessly transitioning from online to offline investigations, and engaging multiple nodal agencies in India and internationally.

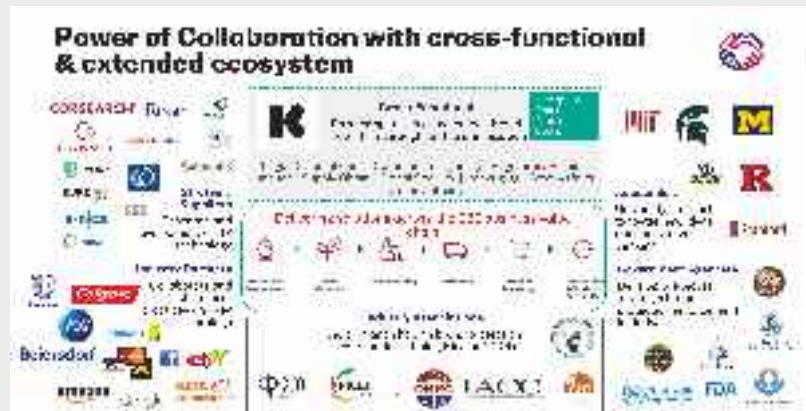
Within the organization, the expansive realm of illicit trade analytics demands a thorough analysis of voluminous data. Tools like Tableau enhance scrutinizing customer care complaints and collaborate closely with the sales team to identify sales hotspots, emerging trends, and reasons behind sales declines. Proactive and reactive measures are then tailored based on the nature of consumer complaints. Supply chain integrity is paramount in brand protection initiatives. The organization actively enhances the supply chain by incorporating elements into packaging design, focusing on authentication, AI security, and security seals.



Mr. Milind Palany
Senior Manager, Global Brand Protection,
Southern Asia and ANZ Cluster, Kenvue

In the ever-evolving landscape of online brand protection, there is a significant shift with a 100% surge in sales through traditional channels, driven by the rapid adoption of mobile data in tier 2 to tier 4 cities. Addressing the intricacies of illicit trade involves a continuous expansion of the enterprise's online monitoring program. This initiative includes strategic collaborations with leading B2C players in India and company representation on Alibaba's anti-counterfeiting clients board. Compliance with legal frameworks and platforms like Amazon Brand Registry is a priority, and strategic measures, including detailed monitoring, partnerships, and test purchases, are employed to tackle consumer concerns and recover financial losses. This meticulous process emphasizes the importance of an auditable trail in online transactions, ensuring transparency and accountability within the dynamic realm of online commerce.

In Maharashtra, there is an agency named MIPCU, specifically designated as the Maharashtra Intellectual Property Crime Unit. The organization collaborates closely with them on cases that require jurisdiction from Maharashtra. MIPCU conducts thorough audits trailing and back-ending, treating cybercrimes with utmost seriousness. Utilizing online intelligence tools, like AI2 analysis, link analysis, and open-source intelligence methodologies help connect the dots and unveil major players, both online and offline.



The organization's commitment to combating illicit trade is evident through the establishment of the Enterprise Brand Protection Council. This collaborative effort spans various departments, addressing issues at every stage of organizational processes. Engaging with consumer product organizations, building partnerships, and incorporating advanced technologies into product strategies reinforce the organization's position in the market. From supply chain integrity to online brand protection, the organization employs a comprehensive approach, utilizing technology and collaboration to safeguard against illicit activities. The strategic alliances, global partnerships, and proactive measures underscore the organization's dedication to maintaining brand reputation, authenticity, and consumer trust in the face of evolving challenges.

Artificial intelligence plays a pivotal role in two key domains: data science and machine learning. These fields encompass the processing of numeric, text, audio, and natural language data, as well as computer vision primarily executed through deep learning. In the realm of machine learning, applications span from analyzing fraudulent transactions and detecting anomalies using data to assessing credit default risk, financial factoring, and ensuring regulatory compliance. Computer vision is instrumental in various applications, including facial recognition, object detection, traffic monitoring, item identification, wildlife tracking, and border area surveillance.

The crux of machine learning and artificial intelligence lies in effective data collection. Despite having access to extensive datasets, a considerable portion is often deemed as irrelevant. Data engineers play a pivotal role in cleaning and deduplicating the data to render it usable. Subsequently, this refined data is employed to train artificial intelligence models, followed by testing and iterative enhancements to improve accuracy. A notable use case illustrating the capabilities of artificial intelligence is in the identification of fraudulent transactions. Statistical models like logistic regression, decision trees, and random forests are integral to contemporary artificial intelligence applications.

The field of regulatory compliance is witnessing substantial growth, with a rising trend towards leveraging machine learning to expedite and streamline compliance processes. Numerous companies actively participate in this domain, capitalizing on the efficiency and speed that machine learning brings to compliance tasks. This sector not only facilitates swifter adherence to various regulatory requirements but also proves to be a lucrative avenue for companies implementing machine learning solutions.

A portrait of Mr. Bikas Jha, a man with dark hair and glasses, wearing a dark suit, a light-colored shirt, and a patterned tie. He is wearing a lanyard with a badge around his neck. The background is a solid purple color.

Mr. Bikas Jha


Co-Founder, Filtron.AI and Board of Director,
Real Networks India, Pvt Ltd.

The successful deployment of facial recognition technology along the India-Nepal border has demonstrated a remarkable 40% increase in efficiency, effectively curbing illicit trade by identifying repeat offenders. Additionally, the trial phase deployment of a scanner-assisted database by Microsoft showcases the potential of AI in detecting and preventing illegal animal trade. By training models to

analyze scans, authorities can accurately identify bags containing illicit substances related to animal trafficking. Furthermore, the use of AI-assisted drones in regions near borders provides an innovative solution to combat human trafficking, offering real-time monitoring and detection capabilities. These advancements underscore the transformative impact of artificial intelligence in enhancing border control efforts and combating various forms of illicit activities.


How AI/ML Can help!

Data Science/Machine Learning




- Fraudulent Transactional Analysis & Detection
- Credit Default Risk & Assessment
- Financial Factoring
- Regulatory Compliance Analysis

Computer Vision/Deep Learning



- Face Recognition
- Object Detection
- Trafficked Item Detection
- Wildlife Detection
- Border Area Surveillance

Fraudulent Transaction Detection



- This is a set of measures designed to prevent money or property from being obtained under false pretenses.
- These detections alert companies to anomalies in financial purchases and prompt them to block the account to minimize losses.

ML Models: Logistic Regression, Decision Tree, Random Forest, xG Boost

In the current global economy, valued at approximately 105 trillion USD, the impact of illicit trade is profound, amounting to around 3.2 trillion USD or 3.2% of the world economy. To put this in perspective, this illicit trade surpasses the economies of countries such as Italy, Brazil, and Canada, with repercussions extending beyond mere economic losses. This unlawful trade contributes to funding terrorism, resulting in revenue loss, social hazards, and safety concerns. The challenge lies in formulating effective solutions and moving beyond traditional methods like sample checking. New-age technologies become pivotal, organized into three key bundles:



Mr. Kunal Kaushal
Director – Cloud,
Big Data & Analytics, KPMG

infrastructure, technology, and data. These technological interventions offer a more scientific approach to curb illicit trade and its multifaceted consequences.

The initial aspect to consider is infrastructure, with a specific focus on IT infrastructure. In today's context, possessing a robust IT infrastructure is crucial, largely owing to the widespread use of cloud technology. The cloud ecosystem enables the retrieval of petabytes of data within seconds, showcasing the impressive scale at our fingertips. This infrastructure is intricately designed, incorporating high-quality GPUs and advanced processing units that are easily accessible to everyone. Consequently, the accessibility of IT infrastructure is not a hurdle, and it is, therefore, abundantly available.

The second aspect is fortified with some of the most advanced technologies currently available. Whether it be artificial intelligence, machine learning, data science, or data analysis, these state-of-the-art technologies are easily accessible to us. This abundance of technological resources falls within the realm of responsible AI.

The impediment to effectively combat illicit activities lies in the unavailability of comprehensive data. This deficiency provides cybercriminals and terrorists with the advantage of accessing and utilizing vast datasets for their malicious purposes. The challenge becomes evident in the cross-border sharing of data, as individual countries lack the requisite volume of data to proficiently train advanced technologies like artificial intelligence.

Furthermore, fostering collaboration among nations and organizations becomes essential, in addition to intellectual capacity, advanced technologies, ample data, and

robust infrastructure. The synergy of our collective efforts not only has the potential to dismantle the nexus between terrorism and illicit trade but also to cultivate a collaborative ecosystem that continuously addresses emerging threats by fostering international partnerships, sharing expertise, and leveraging the power of technology responsibly. This can create a global landscape that prioritizes safety, security, and resilience. There is a need to collaboratively pave the way for a future in which the power of cooperation prevails over the challenges presented by terrorism and illicit trade, safeguarding the well-being of both nations and individuals.



PLENARY SESSION 4



PLENARY SESSION 4

**Detecting and Disrupting the
Daunting Impact of Organized Crime,
Terror Financing, and Illicit Trade**

Illicit trade is a matter of grave concern that demands collective attention—the multifaceted challenges posed by such activities. Recognizing the gravity of this issue is not only a step towards understanding its complexities but a crucial move in fostering a resilient and secure global community.

Moderator

Ms. Ruchira Sharma

**Senior Anchor & Consulting Editor,
Network 18-CNBC**

Illicit trade, with its pervasive influence, casts a shadow over national economies, affecting them in ways that ripple far beyond borders. The consequences are profound, touching the lives of individuals and shaping the destiny of nations. As we delve into the intricacies of this challenge, it is incumbent upon us to dissect its complexities comprehensively.

One facet that cannot be overlooked is the potential linkages between illicit trade, organized crime, and terrorism. The nexus between these elements amplifies the threat and underscores the urgency of our collective response. The interplay of these forces poses a formidable challenge to our security and stability.

Furthermore, the critical role of international collaboration in mitigating the transnational dimensions of illicit trade cannot be overstated. No nation exists in isolation, and neither does the impact of illicit activities. To effectively address this issue, there is a need

to foster a spirit of cooperation that transcends borders. Sharing intelligence, best practices, and resources is not just a strategic choice but a moral imperative.

In recognizing these challenges, one's focus should not be limited to analysis alone, but must aspire to derive actionable insights that contribute to a more resilient global community. This requires a commitment to addressing the root causes of illicit trade, understanding the socioeconomic factors that drive it, and collectively working towards sustainable solutions.

We need to pledge to collaborate, innovate, and forge a path forward. By dissecting the complexities of illicit trade and fostering actionable insights, we lay the groundwork for a safer, more prosperous future. Together, all stakeholders must build a global community resilient to the threats of illicit trade, that stands united against the forces that seek to undermine the collective well-being of the nations.



I NTERPOL, celebrating its centenary in 2023, stands as the world's largest international police organization. Its inception, a century ago in Vienna, marked the agreement of 20 countries to establish an organization transcending national boundaries. As we commemorate this milestone, INTERPOL's proactive approach in combating illicit trade becomes increasingly significant.

Recognizing that these crimes extend beyond borders, INTERPOL has played a significant role in addressing the challenges of counterfeiting in our interconnected world. These issues pose significant threats to economies, industries, and consumers globally. INTERPOL, at the forefront of the fight against criminals involved in illicit



Mr. Ferhat Cakmak
Criminal Intelligence Officer,
IP Crime and Digital Piracy, INTERPOL

activities, employs innovative strategies and international cooperation to safeguard consumers and producers alike.

INTERPOL's global programs centre around countering terrorism, cybercrime, organized and emerging crime, financial crime, and anti-corruption efforts. Operating within this framework, the organization leverages crucial tools. Significantly, the coloured code notices serve as essential mechanisms, facilitating the global exchange of alerts and information among countries. Red notice is of particular importance, as it acts as a vital tool used to locate and apprehend individuals sought for prosecution or to fulfil their sentences. Noteworthy global operations, such as Operation Pangea, have targeted online sales of illicit pharmaceutical products related to food product and counterfeiting, illustrating INTERPOL's commitment in removing falsified drugs from circulation.

Specialized databases and tools further aid member countries in combating intellectual property crimes. The International IP Crime Investigator College, for instance, provides training and resources to law enforcement officials, enhancing their skills in tackling these crimes. Collaborating with international organizations and industry stakeholders, INTERPOL acknowledges the ongoing challenge of trading illicit pharmaceutical products and the significant risks to global public health.

However, the battle against illicit trade is dynamic. Rapid technological advancements and the emergence of the dark web pose continuous challenges for law enforcement. Thus, it is imperative for INTERPOL to adapt its strategies, embrace cutting-edge technologies, and strengthen partnerships to outpace criminals.

Operation Pangea stands out as one of INTERPOL's most successful initiatives, targeting online sales of illicit pharmaceutical products and removing falsified drugs from circulation. As we reflect on these achievements, recommendations for law enforcement personnel and authorities emerge. Increased cooperation between police and customs at national levels is essential, ensuring more effective follow-ups on custom seizures through comprehensive police investigations. Embracing new models to address evolving threats becomes paramount.

In conclusion, the fight against illicit products demands communication, collaboration, and cooperation among all stakeholders. As INTERPOL continues its relentless efforts, it remains crucial for nations and organizations to unite in this ongoing battle to protect global economies and public health.



A part from leading to the arrest, prosecution, imprisonment, and confiscation of illicit goods, the underground economy poses a more insidious challenge. Whether dealing with gold or narcotics, the immediate destruction of seized goods is only part of the solution. The issue lies in the generation of profits that persist within the parallel economy, eventually integrating into the formal economy. This integration allows illicit enterprises, often involving individuals abroad with significant resources, to legitimize their operations.

The amalgamation of intelligence and investigative efforts is of paramount significance. It underscores the need for



Mr. Balesh Kumar
Member, Appellate Tribunal-SAFEMA,
Department of Revenue,
Ministry of Finance

actions to immobilize assets amassed through organized crime. Legal provisions for freezing and forfeiture of such properties become imperative. While India has been proactive in addressing organized crime, notably with the 1976 SAFEMA law and the more recent Prevention of Money Laundering Act, the challenge persists. The globalization of trade and rapid communication methods contribute to the exponential growth of criminal enterprises. Despite law enforcement efforts, these criminal networks expand their wealth and involve individuals not directly participating in organized crime. The Benami Transactions (Prohibition) Act 1988 and subsequent amendments aim to counteract the utilization of assets generated from organized crime.

However, challenges persist, with some legal provisions facing setbacks, such as the issues encountered by the Benami Transactions (Prohibition) Act in the Supreme Court. To address this, the legislature enacted amendments in 2016. The illicitly acquired property, whether from gold smuggling or other crimes, often finds its way back into circulation. For instance, even gold seized by customs has been auctioned, creating a loophole for criminals to profit once again.

To tackle this, recent initiatives, including the Prime Minister's intervention, have shifted the disposal of seized gold to the Reserve Bank of India. This prevents the recirculation of the gold in the market, closing the loophole that allowed criminals to profit from their illicit activities repeatedly. The focus is on strengthening the country's bullion reserves while adding to the customs revenue.

Additionally, acts like the Unlawful Activities

Prevention Act (UAPA) address terror funding, albeit with varying degrees of success compared to the Prevention of Money Laundering Act. The government has also taken steps to seize assets equivalent to money stashed in tax heavens. Robust international cooperation and domestic coordination have become policy imperatives to combat organized crime effectively.

Special Investigation Teams (SITs) and standard operating procedures have been deployed to enhance collaboration among different agencies. However, there is a need for a more systematic approach to statistics. Linking trade statistics with financial and foreign exchange market statistics would provide a more comprehensive understanding of illicit activities, facilitating more effective detection and disruption of criminal enterprises both domestically and globally.



The nexus of transnational organized crime, illicit trade, and terror financing is a complex issue, particularly in the context of India. According to available open-source data, counterfeiting constitutes the largest portion of organized crime, followed by drug trafficking and human trafficking. Other forms of illicit activities, such as illegal wildlife trade, illegal fishing, illegal logging, illegal mining, and crude oil theft, are also significant and pose environmental and economic threats.

Small arms and light weapon trafficking, although not in high quantity, is a serious concern as these weapons often reach terrorist organizations, contributing to instability and conflict zones. The overall impact of illicit trade extends to both developed and developing economies, endangering public health, funding terrorist organizations and criminal groups, undermining internal and border security through smuggling, fostering corruption, and posing challenges to good governance, democracy, and the rule of law.

Several factors contribute to the growth of illicit trade, including profitability due to price disparities between legal and illicit products, economic downturns leading people to engage in illicit activities, disruptions in the supply chain (exacerbated by events like the COVID-19 lockdown), gaps in legislation related to beneficial ownership, and the pressure to expedite cargo handling, which may compromise inspections and enable the smuggling of counterfeit products.

Globalization, with interconnected

communication and transportation means facilitates illicit traders. Regions undergoing political instability and conflict zones provide fertile grounds for illicit trade, organized crime, and terrorism. The dark web and digitization have further empowered criminals to engage in illicit activities.

The intertwining of organized crime, terror financing, and basic trade forms a deadly nexus that mutually supports and strengthens each other. Terrorist organizations often fund their activities through various criminal endeavours, creating a vicious cycle of illicit trade, organized crime, and terrorism.



Ms. Sonia Narang
Special Director,
Directorate of Enforcement

International efforts have been made to address these challenges, including the UN Convention against Transnational Organized Crime and its protocols, the UN Convention against Corruption, the WTO Treaty on Trade-Related Aspects of Intellectual Property Rights (TRIPS), OECD programs, and Interpol operations. In the Indian context, the country's vulnerability to transnational organized crime is influenced by factors such as porous borders, difficult geographical terrain, a long sea border, and instability in neighbouring regions.

India has a robust legal framework to combat organized crime and illicit trade, with multiple agencies enforcing various laws such as IPC, UAPA, Customs acts, etc. Coordination among these agencies is a key element in addressing the challenges.

Challenges faced by enforcement agencies include the secretive nature of illicit trade, coordination difficulties, the transnational aspect of the trade, lack of reliable data, the involvement of legitimate members in illicit trade, and the challenge of proving conspiracies hidden in secrecy.

Technological advances by criminals, witnesses' reluctance and corruption also pose significant challenges.

Moving forward, addressing the issue requires reliable data, a comprehensive approach, synergy among various agencies, prioritization, strengthened border security, heightened surveillance, technological upgrades, and a multidisciplinary approach. A robust legal framework is essential to counter the complex nexus of illicit trade, transnational organized crime, and terrorist financing comprehensively.

Volume of Transnational Organized Crime/Illicit Trade

Transnational Crime	Estimated Annual Value (US\$)
Drug Trafficking	\$426 billion to \$652 billion
Small Arms & Light Weapons Trafficking	\$1.7 billion to \$3.5 billion
Human Trafficking	\$150.2 billion
Organ Trafficking	\$840 million to \$1.7 billion
Trafficking in Cultural Property	\$1.2 billion to \$1.6 billion
Counterfeiting	\$923 billion to \$1.13 trillion
Illegal Wildlife Trade	\$5 billion to \$23 billion
Illegal Fishing	\$25.5 billion to \$36.4 billion
Illegal Logging	\$52 billion to \$157 billion
Illegal Mining	\$12 billion to \$48 billion
Crude Oil Theft	\$5.2 billion to \$11.3 billion
Total	\$1.8 trillion to \$2.2 trillion

Source: The Global Financial Integrity (GFI), a non-profit, Washington, DC (March, 2017)

UN Convention and Protocols to Combat Organized Crimes

United Nations Convention against Transnational Organized Crime, 2000 & Protocols

Trafficking Protocol

- Protocol to Prevent, Suppress & Punish Trafficking in Persons Especially Women & Children, 2000. Ratified by 180 countries.

Smuggling Protocol

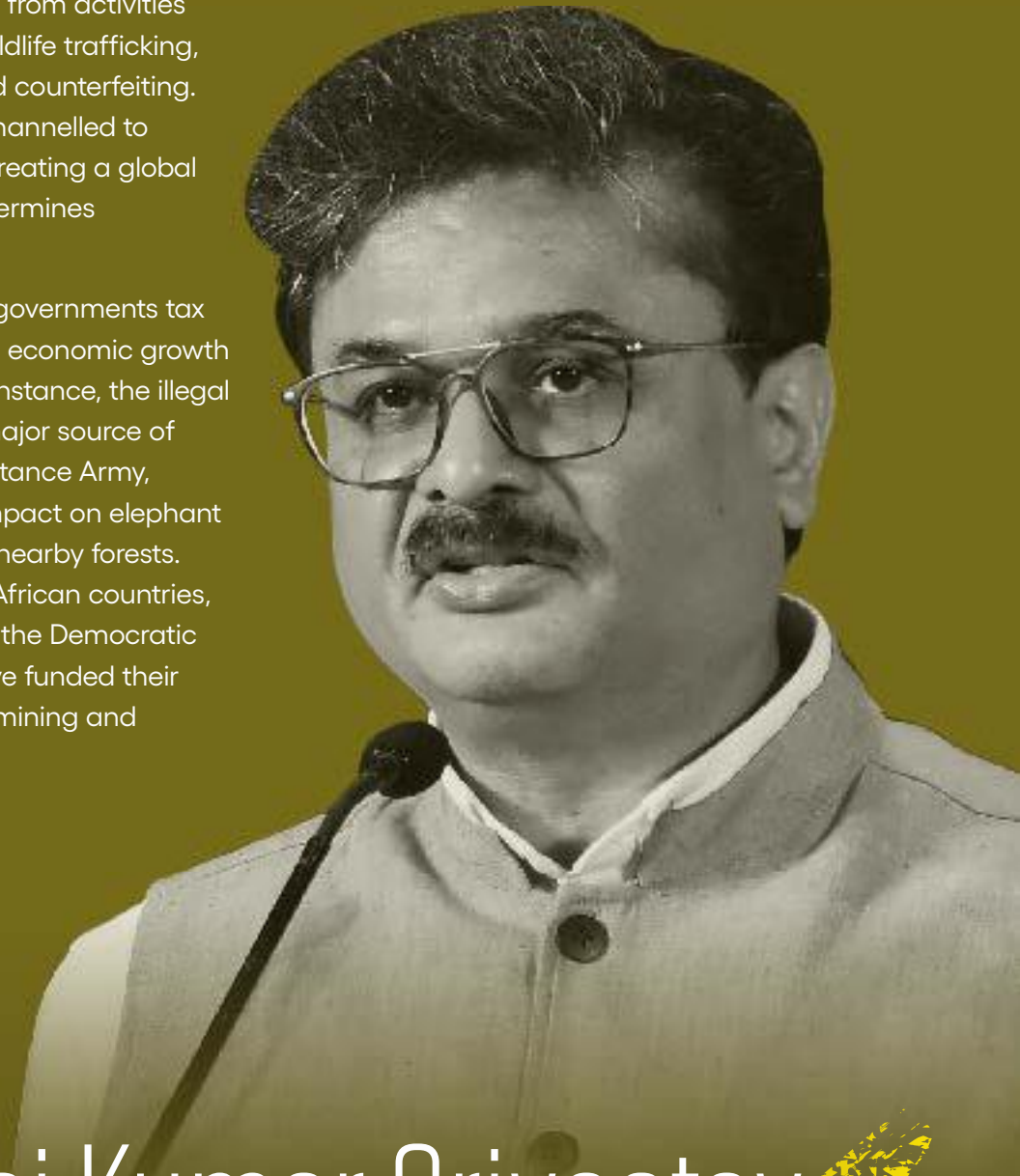
- Protocol Against The Smuggling Of Migrants By Land, Sea And Air, 2000, Ratified by 151 countries.

Firearms Protocol

- Protocol Against the illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition, 2001. Ratified by 122 countries.

The interconnectedness of organized crime, terrorism, and illicit trade poses a significant threat to global security and prosperity. Criminal enterprises derive substantial revenues from activities such as drug trafficking, wildlife trafficking, commodity smuggling, and counterfeiting. These illicit funds can be channelled to finance acts of terrorism, creating a global pandemic that silently undermines economies and security.

Illicit trade not only denies governments tax revenues but also hampers economic growth and corrupts markets. For instance, the illegal trade in ivory has been a major source of financing for the Lord Resistance Army, leading to a devastating impact on elephant populations in Congo and nearby forests. Similarly, armed groups in African countries, including Sudan, Mali, and the Democratic Republic of the Congo, have funded their activities through the illicit mining and smuggling of gold.



Mr. Abhai Kumar Srivastav
Principal Additional Director General,
Directorate of Revenue Intelligence,
Delhi Zonal Unit

To address this menace, detection and disruption are the keys. Actionable intelligence gathered through investment in intelligence agencies and international cooperation, is the foundation for effective detection. Disruption involves a multifaceted approach, including strengthening legal frameworks, imposing severe penalties on those responsible, and implementing robust measures in financial institutions.

In today's digital age, criminals exploit technology, using the internet and cryptocurrencies for their activities. The accessibility of the internet and social media platforms facilitates criminal cooperation, while cryptocurrencies, with their encryption and anonymity, are increasingly used for money laundering. Law enforcement agencies face challenges in countering these crimes, requiring enhanced capabilities in digital forensics,

open-source intelligence, and the analysis of digital evidence.

The international dimension of organized crime necessitates a unified global approach for effective mitigation. International cooperation, involving the sharing of information on currency declarations, passenger data, and offenders, is vital. Initiatives such as the WCO container control program and regional customs enforcement meetings play a pivotal role in preventing criminal organizations from exploiting the global supply chain.

Combating organized crime, terrorism, and illicit trade requires a united front through intelligence sharing, legal cooperation, advanced technology, and a relentless pursuit of disrupting criminal enterprises. By standing united, we can safeguard our societies and enforce a secure global community.



PLENARY SESSION 5

PLENARY SESSION **5**

**Resilient Strategies in
Mitigating Illicit Market Threats –
Industry Perspectives**

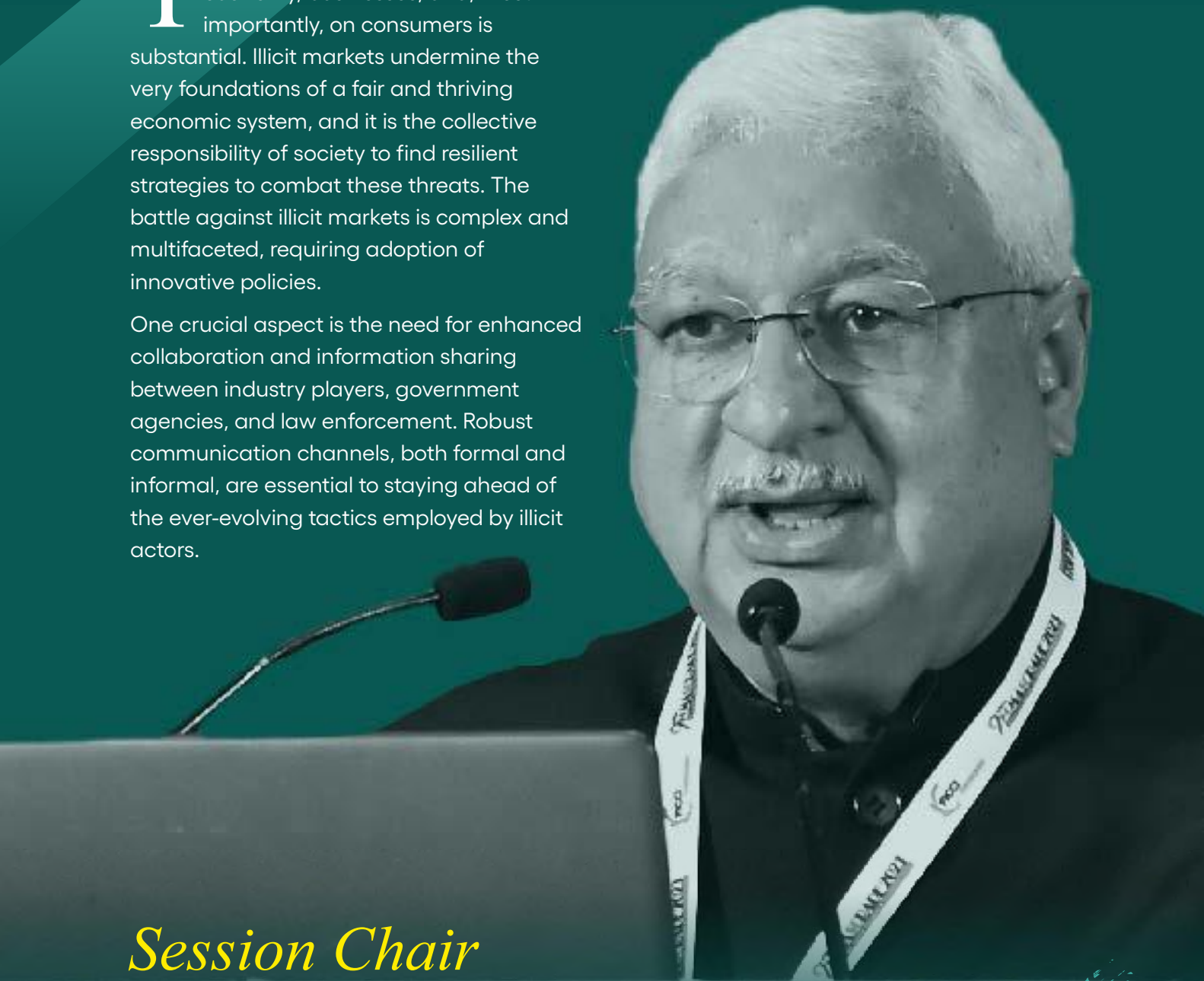
The impact of illicit activities on the economy, businesses, and, most importantly, on consumers is substantial. Illicit markets undermine the very foundations of a fair and thriving economic system, and it is the collective responsibility of society to find resilient strategies to combat these threats. The battle against illicit markets is complex and multifaceted, requiring adoption of innovative policies.

One crucial aspect is the need for enhanced collaboration and information sharing between industry players, government agencies, and law enforcement. Robust communication channels, both formal and informal, are essential to staying ahead of the ever-evolving tactics employed by illicit actors.

Session Chair

Mr. Hem Kumar Pande

Former Secretary, Dept. of Consumer Affairs,
GoI and Think Tank Member, FICCI CASCADE



Embracing technology and innovation is not a choice but a necessity. From blockchain to artificial intelligence, these tools offer unprecedented opportunities to track and trace the flow of illicit goods. Industry leaders must invest in and leverage these innovations to bolster defence mechanisms.

Comprehensive training programs are vital to equip industry professionals, law enforcement, and other stakeholders with the knowledge and skills necessary to identify and combat illicit activities. By investing in human capital, a collective intelligence is built that is essential in staying one step ahead.

Engaging with the public is pivotal in creating a collective consciousness against illicit markets. Industry associations, along with government bodies, should actively participate in advocacy campaigns to educate consumers about the risks associated with counterfeit and smuggled products.

Active engagement with policymakers is imperative to create and advocate for

robust regulatory frameworks. These frameworks should not only deter illicit activities but also foster an environment conducive to legitimate business practices. It is the collective responsibility of society to shape policies that strike the right balance between enforcement and business facilitation.

Illicit markets transcend borders. In order to effectively combat this global challenge, it is imperative to strengthen international cooperation. Governments and industries must work together on a global scale, sharing best practices and coordinating efforts to eliminate the safe havens that illicit activities often exploit.

In conclusion, as there is a deliberation on resilient strategies to mitigate illicit market threats, it is crucial to remember that the collective strength lies in unity and collaboration. By embracing innovative technologies, fostering a culture of continuous learning, and advocating for policies that promote fairness, a resilient defence can be built against the menace of illicit markets.



In today's intricate landscape, resilient strategies play a pivotal role in safeguarding against the pervasive threats posed by illicit markets. From a public-private partnership perspective, it is evident that collaborative efforts are paramount to effectively combat these challenges. Let's delve into six critical aspects.

Firstly, counterfeit products and smuggling operations continue to undermine industries worldwide, leading to organized crime and terrorism, and causing harm to people. Secondly, establishing a robust partnership between private and public sectors is key to bolster the fight against these illicit practices. While terms like partnership, collaboration, and cooperation may sound idealistic, the Delhi Metro stands as a real-



Mr. Subhashish Choudhury

Former Director General, RPF, NCB, Civil Defence, Home Guard & Fire Services Bureau of Police Research and Development and Think Tank member, FICCI CASCADE

world example of successful collaboration between state and central governments, with a 50-50 partnership. Despite occasional friction, collaborations with foreign countries and agencies have contributed to its success.

Thirdly, illicit operators constantly adapt to emerging technologies, such as AI and machine learning, presenting evolving security threats. Industry stakeholders must remain vigilant and responsive to stay ahead of these threats, protecting both their interests and consumers. The use of technology, including AI, must be harnessed for problem-solving while mitigating potential negative effects.

The fourth point emphasizes on recognizing successes and acknowledging persistent challenges in tackling illicit trade. Learning from past achievements, such as the pulse polio campaign in India, provides valuable insights for refining strategies and fostering

resilience. Collaborative efforts, when effectively implemented, can achieve remarkable results.

The fifth point underscores the clear call to action: collaboration and innovation are essential to effectively counter realistic market threats. Industries, government bodies, NGOs, and citizens must unite in a shared commitment to combat these issues. Implementing smart risk management plans, identifying vulnerabilities, and sharing data among various stakeholders are crucial steps.

Lastly, industries should explore challenges and opportunities in cross-sector collaboration. Synergizing efforts across diverse sectors can yield powerful solutions in the battle against illicit market threats. Subsequent discussions will delve deeper into each facet, shedding light on strategies that bolster resilience and protect industries from the pernicious impact of illicit markets.



The issue of counterfeiting and smuggling is now surfacing at a global level. It is estimated that globally, one out of every 10 cigarettes are illicit. However, focusing on India's context, there was a surge in illicit and exploitative growth between 2012 and 2017. Illicit activities were prevalent even before that period, but post-2012, due to factors like significant increases in taxation and price arbitrage, there was exponential growth.

In India today, illicit trade accounts for a substantial 25% or more, posing significant challenges. This number holds implications beyond the tobacco sector. It's not just about a legal industry facing competition;

it's about a legitimate industry being undermined, leading to the government losing precious resources in terms of taxes. At a broader level, there are indications that larger players may be attempting to undermine economic sovereignty through tax evasion, and there's also a risk of financing illicit activities or terror groups.

The industry is grappling with these broader implications because cigarettes, being easily transferable and lucrative, pose a threat to the economic sovereignty of the country. Despite constituting only 8% of the tobacco market, the significant price differentials, especially due to the steep taxation between 2012 and 2017, made it an attractive arbitrage for smugglers and international players. This has created a situation where the industry faces challenges in enforcement, given the extensive coastline and porous borders.

The types of illicit cigarettes in India are primarily international brands, which don't carry the health warnings mandated for domestic products. While identification is less of an issue, enforcement remains a significant challenge due to the vast number of retail outlets. Practical challenges persist, and addressing them requires sensible taxation policies, reasonable



Mr. Devraj Lahiri
Divisional Chief Executive,
ITD, ITC Ltd.

restrictions, and robust enforcement.

Between 2012 and 2017, more than a hundred international brands were smuggled into India, flooding the market. The absence of health warnings on these products misleads consumers into perceiving them as safer. This growth in the illicit segment has resulted in a substantial loss of tax revenue for the Indian government, estimated at over Rs. 15,000 crores.

Efforts by agencies like DRI, Assam Rifles, and Customs have led to commendable

seizures. However, with smugglers adapting to innovative solutions and exploiting various channels, including airports and railways, the challenge persists. Technology can play a limited role in addressing counterfeit issues, but comprehensive strategies involving awareness campaigns, collaboration with enforcement authorities, and a focus on the supply chain are essential. The fight against illicit trade is an uphill task that requires sustained efforts to safeguard the economic sovereignty of the nation.

Illicit Trade and its Consequences

Illicit trade is defined as 'any practice or conduct prohibited by law and which relates to the production, shipment, possession, distribution, sale or purchase of goods and services including any practice or conduct intended to facilitate such activity'.

The key drivers of illicit trade include low chances of being discovered and prosecuted, weak legal and regulatory frameworks, as well as weak enforcement

Illicit trade undermines the social stability and socioeconomic welfare of communities, at the same time preventing the equitable sharing of public goods as revenue that could be used to develop and improve infrastructure.

Global Illicit Cigarette Trade

Estimate of volume are as high as 10.3% (Exc. China)

456 billion illicit cigarettes consumed in 2018

Forecast of 5.1% growth over next five years

1 in 10 cigarettes smoked globally are illegal

Estimated tax revenue lost globally around USD 40 bn.

1 in 4 Cigarettes smoked in India are illegal

Drivers of Illicit Trade

Demand Side

- Price
- Taxation
- Regulations
- Unavailability

Supply Side

- Financial gain
- Weak enforcement
- Lenient laws-reduce risks
- Overcapacity

- In India share of illicit cigarettes share is estimated to be at **27.6 %** and has grown by more than **50 %** in last 10 years.
- According to report published in June 2022 by Oxford Economics, illicit trade accounted for **38% in neighboring Pakistan in 2021**.

Source: Esaripattin in Advance matter

The Transnational Alliance to Combat Illicit Trade (TRACIT), an international organization headquartered in New York, operates globally in response to the pervasive issue of illicit trade, a problem that transcends national boundaries. TRACIT focuses on 11 key industry sectors, including alcohol, tobacco, pharmaceuticals, illicit wildlife, fishing, forestry, human trafficking, and forced labour. FICCI CASCADE is among TRACIT's alliance partners, emphasizing the collaborative nature of its work.

In its policy and advocacy efforts, TRACIT engages with various intergovernmental organizations (IGOs) such as the United Nations bodies, OECD, ASEAN, and Interpol. The organization recognizes the interconnected nature of illicit activities, as criminals operate across multiple sectors, necessitating a comprehensive approach to combat these crimes.

Illicit alcohol has emerged as a major sectoral concern, prompting TRACIT to disseminate a comprehensive report to all OECD governments and their member states. The report outlines the challenges associated with the illicit alcohol trade and

proposes actionable measures to address the situation. Collaborative efforts involve the U.S. government, the World Bank, and the International Monetary Fund, with a specific focus on combating money laundering and associated crimes related to illicit alcohol.

The issue of illicit alcohol is particularly pronounced in India, where incidents of deaths related to consumption reached alarming levels in 2018 and 2019. TRACIT collaborates with Niti Aayog and the Indian government to address this critical situation, emphasizing incremental improvements and recently updating a 2019 report to



Ms. Suriya Prabha Padmanaaban
Director of Programs,
TRACIT

reflect the current status and challenges.

Alcohol and tobacco stand out as the most trafficked goods in India, encompassing various forms of illicit trade, including counterfeits, smuggled goods, and surrogate alcohol. The latter involves the illicit use of industrial ethanol, a crisis exacerbated during the pandemic. Reports indicate that illicit trade in liquor accounts for approximately 46% in India, significantly impacting public health and safety.

Globally, the impact of illicit trade in alcohol extends beyond health concerns, posing fiscal challenges for governments. In India alone, the illicit alcohol market constitutes a substantial portion of the overall industry, resulting in significant revenue losses for the government. The need for stringent regulations and enforcement is underscored, not only to address health and safety concerns but also to preserve the integrity of the market and protect businesses from unfair competition.

Consumer awareness is identified as a critical factor, with challenges stemming from the inability to distinguish between legitimate and illicit products. Additionally, lax regulations, low penalties, and affordability issues contribute to the persistence of illicit alcohol markets. An incident in Chandrapur, Maharashtra, serves as a cautionary tale, demonstrating the unintended consequences of a government-imposed alcohol ban, leading to increased criminal activities and revenue losses.

Addressing the artisanal alcohol sector, which operates outside formal regulations, emerges as a priority. Bringing such production into the formal sector, akin to the beer industry, could contribute to economic growth, employment, and agricultural development. Regulation of ethanol use, tackling smuggling, and revisiting tax policies are identified as crucial steps to

curb the illicit alcohol trade.

In conclusion, the multifaceted challenges posed by illicit trade demand a coordinated, global effort. FICCI's role in fostering collaboration among international organizations, governments, and industry associations reflects a commitment to addressing the complexities of this transnational issue. Recognizing the interconnected nature of illicit activities and implementing targeted strategies are essential for mitigating the social, economic, and health impacts associated with illicit trade.



In the realm of retail and e-commerce, the facilitation of seamless cross-border transactions stands as a paramount goal. The endeavour is to empower consumers globally, enabling them to procure a diverse selection of products effortlessly with the simple click of a button. The primary focus is on ensuring ease, convenience, and confidence for customers, not only in obtaining a broad array of choices but also in securing the right prices and a shopping experience characterized by convenience.

The significance of such efforts has been underscored by the recent challenges posed by the COVID-19 pandemic. The need for essentials and groceries to be delivered to doorsteps became critical, prompting companies like Amazon to rethink and optimize the entire supply chain. This evolution emphasized the importance of robust mechanisms, both in terms of technology and partnerships, to address the complexities arising from counterfeit and illicit activities.

For entities like Amazon, the commitment to consumer safety and trust is embodied in a three-pillar approach. The first pillar centres

around customer safety and trust, aiming to create an environment where consumers can shop on Amazon with confidence, assured of receiving authentic products. This becomes especially crucial in categories such as children's products, food items, helmets, and other safety-related goods, where the intersection of counterfeit trade, illicit activities, and consumer safety is pronounced.

Collaboration with brands and major manufacturers plays a pivotal role in this



Mr. Rajdeep Datta
Director, Trustworthy Shopping
Experience, International, Amazon

process. Establishing a global brand registry mechanism ensures that legitimate brands can declare their distributorship, key resellers, and trade agents. This, in turn, facilitates a systematic approach to identifying authorized sellers in every country of operation. The intricate validation processes extend to the creation and listing of products, supply chain management, and overall quality assurance.

Recognizing the unique challenges faced by sellers in developing nations like India, where the network might be in place but the supply chain infrastructure may be lacking, Amazon is committed to providing a platform for livelihood generation. However, simultaneous emphasis is placed on ensuring the authenticity of products through validation processes akin to those employed for electronic devices. The transparency program, involving inventory serialization, enables tracking products from manufacturers to the fulfilment centres, ensuring genuine products reach customers.

Beyond these measures, Amazon actively engages in programs to empower small-scale sellers and manufacturers. Initiatives like "Karigar" in remote areas of India facilitate the production of items at scale, while the "IPAccelerator" program aids entrepreneurs in registering trademarks and IPs, providing them with a global platform to sell their products.

To tackle the ever-evolving challenges of counterfeit and illicit trade, Amazon employs a combination of proactive and reactive measures. Collaboration with policy-makers, legal experts, and law enforcement agencies becomes imperative. The use of advanced technologies such as machine learning, image detection, and artificial intelligence further strengthens the company's ability to identify and control illicit activities at the listing level.

The holistic approach extends beyond individual brand interests, encompassing a

wider collaboration with public and government bodies. Partnerships with organizations like Interpol exemplify the commitment to a collective effort in curbing illicit trade. Information exchange on bad actors, whether through IP addresses or phone numbers, aids in creating a global network that prevents criminals from selling on multiple platforms.

As India takes strides towards becoming a hub for entrepreneurship on a global scale, the call for collaboration intensifies. Amazon's commitment to platform generic work aligns with the broader vision of ensuring the authenticity and safety of products, particularly in sensitive categories. The aspiration is to create an online shopping experience that mirrors the trust and confidence associated with physical retail stores.

In conclusion, as India transitions into the next phase of economic development, the collaboration between e-commerce platforms, brands, governments, and law enforcement becomes increasingly crucial. The exchange of data, insights, and collaborative efforts are pivotal in ensuring that consumers, both globally and within India, can navigate online marketplaces with trust, confidence, and access to the necessary digital footprint to validate product information.



PLENARY SESSION 06



PLENARY SESSION

6

**Unmasking the Shadows:
Socio-Economic Perspectives on
Combating Illicit Trade**

It is imperative to applaud Government of India and the Hon'ble Minister for their adept orchestration of the remarkably successful G20 India Summit. India, currently in the global spotlight, is steering collective efforts towards advancing the three pillars of sustainable development: People, planet, and prosperity.

This has been strongly emphasised in the G20 New Delhi Leaders' Declaration which seeks to accelerate progress on SDGs by collective, effective, and timely actions against multiple, complex, and interconnected crises that the world is currently facing. Situations like this provide ripe opportunities for illicit profit-making and exploitation, as illicit economies which comprises of smuggling and counterfeiting present significant deterrence to the achievement of the SDGs by crowding out legitimate economic activity, depriving governments of revenues for investment in vital public services, dislocating hundreds of thousands of legitimate jobs and causing irreversible damage to ecosystems and human lives - thereby threatening growth and development for nations across the globe.

By its very nature, illicit trade is difficult to both identify and quantify. While data on illicit trade is relatively scarce, there is mounting evidence of the economic, social, and environmental losses it can cause. According to the World Economic Forum, economic leakages from illicit trade

A portrait of Mr. Anil Rajput, an elderly man with a white beard and glasses, wearing a dark suit and a light-colored shirt. He is looking slightly to the right of the camera. The background is dark blue with some abstract light blue and red geometric shapes.

Mr. Anil Rajput
Chairman, FICCI CASCADE

create an annual drain on the global economy of US\$2.2 trillion – nearly 3% of the world's economy. If illicit trade was a country, its economy would be larger than Brazil, Italy and Canada – and as large as Mexico and Indonesia combined.

Mostly, illicit trade has been seen from the prism of loss to the exchequer, but it has many more facets that impact our society. This unscrupulous global business has its tentacles reaching far and wide and compromises the safety and security of nations due to their sinister linkages with organized crime networks and terror financing.

Unfortunately, no sector is immune to illicit trade, with terrorist and organised crime groups seeing it as a relatively stable business model. For example, the 2015 Charlie Hebdo attack in Paris and the 2013 terror attack in Agadez, Niger, were reportedly funded by cigarette smuggling and the selling of counterfeit shoes from China.

In recent times, our hon'ble Prime Minister, Shri Narendra Modi has underscored the need to eliminate the root cause for terror funding. During the 3rd 'No Money for Terror' Ministerial Conference held in India, last year, our Hon'ble Prime Minister has said and quote, "One of the sources of terror funding is organised crime. The money made in gun-running, drugs and smuggling is pumped into terrorism. Action against organised crime is extremely important in the fight against terror."

During the 90th INTERPOL General Assembly held in India last year, PM went on to say that, "The corrupt find a way to park the proceeds of crime in different parts of the world. It is such money that is pushed

into evil activities. Such crimes against people in one place are crimes against everyone, crimes against humanity."

A clear mandate from the highest office of the Government makes it evident that India is focussed in building a global momentum against terror funding by eradicating the streams of finance which include smuggling, counterfeiting, trafficking and other forms of organised crime.

It is with this focus that CASCADE has released a report titled, "Hidden Streams: Linkages between Illicit Markets, Financial Flows, Organized Crime, and Terrorism". The report highlights the risks inherent in the growing global trade, particularly in India, where illicit financial transfers can hinder



economic development and fund criminal and terrorist activities.

India is witnessing an exciting, but also uniquely challenging phase in history. Our hon'ble PM has declared that India will achieve developed country status by 2047. Projections by a PwC study show that India could become the world's third biggest economy as early as 2030 and have a GDP exceeding that of US by 2060.

By any measure, India is already a powerhouse with the third largest consumer market of the world. As India continue to be one of the world's most dynamic consumption environments, we must work concertedly to ensure that illicit trade does not dent this growth trajectory. While action is being taken to refine policy frameworks, strengthen cooperation and administer stricter enforcement, the role of our citizenry to ensure that only legal products are consumed holds great significance.

Every good citizen of our country adds to the strength of the nation and that citizens' participation is fundamental in achieving better governance. Therefore, the role of our

people in creating an illicit free nation is crucial. To action this, awareness will be key and therefore, a robust mass awareness generation strategy is imperative, be it print or digital including videos, Internet, and social networks in national and vernacular languages. Campaigns can be designed to provide information on illicit products, its adverse effects along with the Dos and Don'ts that will encourage the public to play an active role in the fight against terror financing activities.

INTERPOL's global campaign – 'Turn Back Crime' to raise awareness of the dangers of organized crime and its impact on everyday life or the 'Counterfeit: Don't Buy into Organised Crime' campaign by the United Nations Office on Drugs and Crime (UNODC) are excellent examples of the kind of awareness initiatives that should be actively pursued. In India, the "Jago Grahak Jago" campaign is a strong platform of the Government which raises awareness and safeguards consumer interests across several issues impacting them. To my mind, a boost to this campaign, focusing on the various facets of illicit trade is the need of



the hour. This will not only increase our national awareness but will also reduce crime by empowering our citizens and helping them understand that even our day-to-day decisions, especially as consumers, for example-taking a bill on every purchase which means that the products is genuine and tax - paid, can have a profound impact in addressing the socio-economic challenges of illicit trade for our country.

It is indeed heartening to note that to encourage a culture of customers asking for invoices/bills for all purchases, the government of India has launched the invoice Incentive Scheme “Mera Bill Mera Adhikaar” from 1st September 2023 where consumers will be eligible for exciting rewards of up to one crore rupees on upload of GST invoices. Such initiatives will undoubtedly go a long way in having a positive shift in Indian consumer behaviour, improve compliance and favour the growth of our economy.

In India, FICCI CASCADE has been leading from the front in generating mass awareness on the adverse effects of illicit

trade. Its nationwide campaign against smuggling and counterfeiting is stirring an active debate on the subject through various programmes and initiatives engaging policy makers both at the centre and state, industry across sectors, international institutions, law enforcement officials, school & college children, voluntary organizations and the consumers at large.

As we remain committed to work assiduously in this area, we would be happy to collaborate and partner with the government to raise awareness on illicit products and their potential risks to health, safety, and society. There is no doubt that illicit trade is a persistent and a growing threat and is increasingly putting individuals and societies in harm's way. Our Prime Minister's vision on 'communication, collaboration and cooperation defeating crime, corruption and terrorism' will provide that much-needed impetus to move forward with greater vigour in the fight against this global menace. This will most certainly go a long way in safeguarding people and their livelihoods and spur growth and development.



The surge in illicit trade stands as a concerning consequence for globalization, casting a shadow on our progress toward achieving a 5 trillion-dollar economy. Whether facilitated through activities such as smuggling, counterfeiting, or tax evasion, illicit trade imposes a substantial socio-economic toll. It not only impedes our advancement but also escalates expenses, further distancing us from crucial economic goals.



Shri Anurag Singh Thakur

Union Minister for Information &
Broadcasting and Youth Affairs & Sports,
Govt. of India

Illicit trade, a multi-billion-dollar enterprise, has far-reaching economic, social, and environmental impacts, especially pronounced during economic downturns. Recent years have witnessed a steady rise in illicit trade, with developing economies, such as Africa, estimated to have lost over USD 1 trillion in illicit trade and associated activities, including illicit financial flows (IFFs), according to UNODC reports.

Effectively combating these unethical practices and endorsing governance frameworks to diminish the occurrence of illicit trade activities remains a matter of concern. It is imperative to raise broader awareness and a deeper understanding of the magnitude of this issue and its profound

repercussions on consumers, society, government, and businesses.

Under the guidance of our Hon'ble Prime Minister Shri Narendra Modi, the government has exhibited commendable leadership by enacting laws aligning with international commitments and demonstrating a progressive outlook. However, given the intricate and alarming expansion of illicit trade, there is a pressing need for enhanced intergovernmental collaborations and public-private partnerships to formulate a comprehensive strategy.

As India ascends as a formidable global economic force, safeguarding the rights of businesses through robust regulations and vigilant enforcement becomes increasingly intertwined with our nation's burgeoning global influence. Combating the pervasive social and economic detriments inflicted by illicit trade reflects India's steadfast commitment to preserving its hard-earned economic strength and securing a prosperous future.





Illicit trade serves as a significant revenue source for terrorist organizations, financing their nefarious activities. The intertwined relationship between illicit trade, organized crime, and terrorism poses danger to global security, necessitating a proactive confrontation of this issue. As a responsible nation, the fact cannot be ignored that resources generated from illicit trade directly fuel the violence and chaos perpetrated by terrorist groups. It is imperative to protect citizens and the global community from these threats by fortifying law enforcement agencies, fostering international cooperation, and implementing rigorous measures to address illicit trade at its core. Addressing the nexus between illicit trade,

organized crime, and terrorism not only protects our economy but also contributes to a safer and more peaceful world. Collaborative engagement in this crucial undertaking, uniting our efforts to dismantle networks that aim to jeopardize our security and prosperity is the need of hour. The struggle against illicit trade transcends mere economic dimensions; it is a broader endeavour for peace, stability, and the future well-being of our world. This battle transcends geographical boundaries, presenting a global challenge that affects countries worldwide to varying degrees. International networks and cooperation stand as indispensable pillars in our united efforts to curb the pervasive social and

economic losses inflicted by illicit trade. Fostering these collaborative partnerships enables the effective addressing of this challenge and the mitigation of its detrimental impact on societies and economies across the globe.

It is truly a monumental endeavour to mobilize an entire community into concerted action against the scourge of illicit trade. I extend my congratulations to FICCI CASCAIDE for its unwavering commitment to raising awareness and fostering substantial

dialogues regarding the pernicious challenges posed by smuggling and counterfeiting on a national scale. It is heartening to see that since its inception, FICCI CASCAIDE has tirelessly orchestrated a multitude of awareness campaigns throughout the nation, all aimed at combating the looming threats of counterfeiting and smuggling. MASCRAGE 2023 – Movement Against Smuggling and Counterfeit Trade will identify opportunities for joint action between governments, the private sector, and enforcement machinery to combat illicit trade.



During the conference, significant discussions and deliberations took place, shedding light on the multifaceted threat of illicit trade. The insights gained from these sessions underscore the gravity of the issue and emphasize the need for a collective effort to combat this menace. Fortunate to witness a unified stance among various stakeholders, including the law enforcement sector and the public, in their joint commitment to addressing the challenges posed by illicit trade to our financial well-being.



Mr. Anil Sinha

Former Director, Central Bureau of
Investigation and Think Tank Member,
FICCI CASCADE

The deliberations have brought to the forefront the unacceptable nature of these assaults, prompting justified concerns about the darker implications of illicit trade on our territorial integrity. The government, at the forefront of our nation's security, has released a study that unequivocally highlighted the effective measures taken under the leadership of our Prime Minister to address security concerns. The positive outcomes reflected in the reduced global terrorism and crime index indicate commendable success.

Despite extensive efforts, there are instances of fugitives finding refuge and support, posing a challenge to our efforts. These fugitives not only shielded but actively engage in criminal activities such as gang wars, drug peddling, smuggling, and

counterfeiting. These challenges were reiterated by our Hon'ble Prime Minister, emphasizing the inherent threats financial and violent crimes pose to global security. It is imperative to recognize that terrorists and financial criminals are nobody's allies, and they pose a risk to the very systems that sustain them.

In light of these challenges, it is essential for all stakeholders to unite in the fight against this menace. Mr. Anurag Singh Thakur's assertion that illicit trade can be combated provides assurance that the CASCADE initiative is poised for success. The guarantee of success lies in these words, and it is incumbent upon every stakeholder to contribute to the collective effort to eradicate illicit trade and ensure a secure and prosperous future.



WALLEDICTION SESSION



VALEDICTORY SESSION

MASCRADE has transformed into a global platform, fostering discussions on intricate issues affecting its socio-economic foundation and operations. The success of MASCRADE is a result of a collaborative effort where diverse stakeholders unite in a common mission to combat the scourge of illicit trade effectively and promptly. This collaboration facilitates the sharing of knowledge, enhances understanding of different perspectives, and builds consensus on viable policy options to address current and future challenges related to smuggling and counterfeiting.

The focus on the far-reaching effects of illicit trade extends beyond financial considerations, adversely impacting public

health, well-being, and societal stability. The primary objective should be to ensure that those engaged in smuggling and illicit activities do not find a regulatory environment conducive to thriving, thus safeguarding public health, well-being, and overall stability.



Justice Manmohan Sarin

Former Lokayukta, NCT of Delhi, Chief Justice, High Court of Jammu & Kashmir, Judge, High Court of Delhi and Think Tank Member, FICCI CASCADE

India boasts a robust legal framework, including legislation such as the Customs Act, Trademarks Act, Copyright Act, and the Prevention of Corruption Act. The objective is to gather and penalize illicit trade and activities that pose a threat to the economy and national security. The connection between smuggling, money laundering, and terror funding is now well-established. Our judicial system plays a pivotal role in interpreting and upholding these laws, ensuring justice prevails and acts as a deterrent to potential wrongdoers through a harmonious blend of legislative and judicial efforts.

A proactive approach by judiciary is essential, particularly in cases of socioeconomic offenses where an unequal battle exists. The aim is to ensure that justice is served swiftly and fairly, safeguarding personal liberty and fundamental rights while imposing maximum legal penalties provided under the law.

Effective deterrent strategies must be employed in the fight against the menace of illicit trade. This requires a multi-pronged approach involving stringent law enforcement measures, enhanced border security, substantial penalties for wrongdoers, and well-informed prosecuting councils. It is imperative that these legal professionals have a deep understanding of the intricacies of laws and regulations related to economic offenses.

Additionally, we must adapt to new developments and challenges in the global trade landscape, especially with the rise of e-commerce platforms and online transactions. Advanced technology is often used to deceive consumers and evade law enforcement, emphasizing the need for an evolving legal framework.

In a constructive development, FICCI CASCADE has been disseminating knowledge and expertise to help train judges and law enforcement officials in enhancing strategies to combat smuggling, counterfeiting, and related offenses. This initiative aims to sensitize judicial officers about the detrimental effects of these activities on the economy and social fabric. In conclusion, as Benjamin Franklin aptly said, "Justice will not be served until those who are unaffected are as outraged as those who are." It is important for individuals to proactively participate and join initiatives such as FICCI CASCADE, aiming to eradicate passive indifference and contribute to the collective well-being.



The importance of judicial intervention becomes evident when contemplating the complex nature of the issue at hand, necessitating a holistic approach from various perspectives. Solely depending on the judiciary is inadequate; it must continually adjust to the changing dynamics of the crime. It is vital to comprehend the distinctions between illicit trade and conventional criminal activities, as well as the reasons behind the requisite procedural adjustments. Examining recent rulings from the Supreme Court concerning the selection of ombudsmen is indispensable. The intricacy of the problem stems from its involved links to drug trafficking and terrorist financing, underscoring the imperative for a comprehensive and multifaceted strategy.

Technological advancements, while advantageous in many areas, have also facilitated illicit trade. The study reveals that those involved in illicit trade are adept at

leveraging technological progress, using sophisticated systems like the barter system for transactions. This global issue extends beyond borders, adversely impacting sustainable development goals, the economy, and the environment. Conventional reactive policing is inadequate for tackling this issue, necessitating a shift towards preventive measures, intelligence gathering, and evidence preparation. Judicial adaptation must encompass wiretapping, invoking privacy considerations. Acknowledging the nuanced nature of the problem, this discussion commends the inclusion of privacy considerations in the conference, recognizing its pivotal role in addressing potential accusations of privacy violations in wiretapping scenarios.

The socio-economic impact of illicit trade, particularly in counterfeit and smuggled goods, is profound. The allure of such goods stems from their affordability and status-symbol appeal, creating a cultural challenge. The judiciary, though a critical component, cannot address this issue comprehensively without concerted efforts to raise awareness. Moving forward, the discourse should focus on debated issues, potential solutions, and the judiciary's evolving role in addressing this complex problem. Acknowledging the serious threat of illicit trade intertwined with terror financing, the symposium emphasizes the need for comprehensive measures to counter emerging challenges, aligning with the dynamic landscape of unlawful activities hindering India's growth potential.

Commending the efforts of all stakeholders, including international participants, the symposium underscores the importance of collective action to confront the menace of illicit trade. The global scale of the issue, with estimated flows ranging from \$1.6 trillion to



Hon'ble Justice, K. V. Viswanathan
Judge, Supreme Court of India

\$2.2 trillion annually, underscores the urgency for effective strategies.

Legally, India has implemented a multifaceted approach, incorporating stringent intellectual property rights laws, trademark acts, copyright laws, and customs regulations. Specialized agencies, such as the Directorate of Revenue Intelligence and the Central Bureau of Investigation, collaborate to investigate and prosecute cases. Recent legal instruments, including the Consumer Protection Act 2019, demonstrate the commitment to tackling counterfeiting and smuggling at various levels.

The judiciary's role in balancing the rights of the accused and the interest of the state is imperative. Recent judicial pronouncements, such as the validation of demonetization measures, reflect a judicious approach considering the larger national interest. A proactive judiciary, adapting to the challenges posed by evolving crimes, is essential. The legal framework, coupled with judicial oversight, is essential for effective enforcement measures. Innovations such as the use of amicus curiae and prior judicial sanction for wiretapping strike a balance between protecting individual rights and ensuring national security.

The conference recognizes the socio-economic impacts of illicit trade, aligning with the United Nations' sustainable development goals. Illicit trade compromises these goals, hindering progress, increasing costs, and pushing achievement further away. Notably, Sustainable Development Goals is directly affected by illegal and unfair competition, reducing job opportunities and stability. The discussion highlights the global effects of illicit trade, from smuggling and counterfeiting to the illegal sale of goods, services, humans, and wildlife. Illicit trade compromises economic goals, undermines peace and stability, and disrupts supply chains, exposing consumers to fake and potentially harmful products.

Technological advances, particularly in the realm of the internet and social media, have redefined the landscape of product

counterfeiting. Consumers' access to an extensive range of products, coupled with advancements in machine learning and artificial intelligence, poses challenges that necessitate stringent measures, potentially including KYC norms. It is heartening to note that FICCI CASCADE is committed to addressing the critical issue of illicit trade through collaborative efforts with policy makers, industry stakeholders, enforcement agencies, media, and consumers. Recognizing the influence of society and the value of money in driving the purchase of counterfeit goods, the discussion emphasizes the need for policymakers to adopt measures that make counterfeiting less attractive, potentially through rational tax structures.

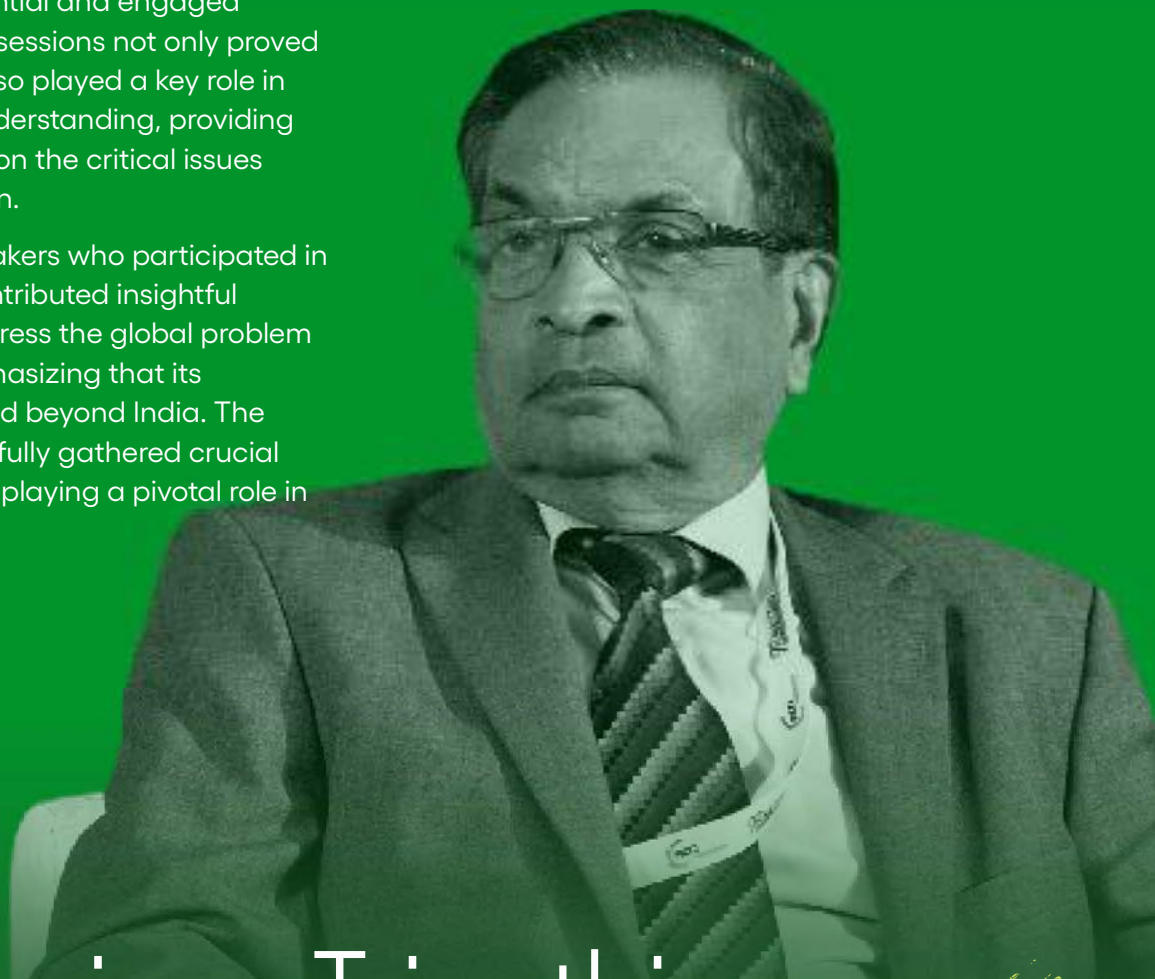
The conference serves as a central forum in bringing together key stakeholders in the battle against illicit trade. It not only raises awareness but also appreciates the commitment of enforcement officers, honours journalists for their extensive reporting on smuggling and counterfeiting and acknowledges the valuable contributions of school children in combating this menace. Collective action is imperative, with the judiciary assuming a central role in adapting to the ever-evolving challenges posed by illicit trade. Comprehensive attention to socio-economic impacts, the legal framework, and technological advancements is essential for thoughtful consideration and strategic planning to effectively counteract this global threat.



During the two-day conference focused on addressing the urgent challenges of counterfeiting and smuggling, with a specific emphasis on their harmful impact and their ominous connections to terror financing, attendees actively engaged in in-depth discussions that spanned a wide range of topics on the subject. MASCRADF 2023 effectively attracted a substantial and engaged audience, and the sessions not only proved enlightening but also played a key role in broadening our understanding, providing fresh perspectives on the critical issues under consideration.

The esteemed speakers who participated in the conference contributed insightful suggestions to address the global problem of illicit trade, emphasizing that its ramifications extend beyond India. The conference masterfully gathered crucial stakeholders, each playing a pivotal role in

the collective effort to combat the menace of illicit trade. These conversations broadened our focus to encompass the socioeconomic repercussions stemming from illicit trade activities, propelling us towards impactful solutions derived from the deliberations.



Mr. Sanjeev Tripathi
Former Chief of RAW and
Think Tank Member, FICCI CASCADE

Hon'ble Justice Viswanathan has rightly emphasized the fundamental role that the judiciary can play in interpreting and enforcing the laws to combat counterfeiting and smuggling. His insightful ideas have shed light on the profound impact of judicial interventions in thwarting this menace and its potential ties to terror financing. Justice Viswanathan's thought-provoking insights serve as a beacon of inspiration for all of us.

Justice Manmohan Sarin has aptly highlighted the indispensable role of the judiciary in the effective enforcement of laws pertaining to smuggling and counterfeiting. Justice Sarin meticulously delved into legal mechanisms available for countering and detecting illicit trade and its connection to terror financing.

Over the course of two-day conference, renowned experts from both India and abroad delivered informative presentations and engaged in numerous enlightening panel discussions, underscoring the imperative for global collaboration in the fight against illicit trade by boycotting smuggled and counterfeit goods. The conference witnessed the involvement of numerous senior officials from government entities including CBIC, Department of Revenue, Directorate of Enforcement, Directorate of Revenue Intelligence, and along with active participation of prominent international organisations, such as UNODC, WCO, WIPO, INCB-UN, INTERPOL, JETRO, DKPTO, TRACIT, and subject matter experts from Denmark, Italy, France, Belgium among others.

FICCI CASCADE's unwavering dedication has culminated in uniting experts from across the globe under one roof,

facilitating the pursuit of effective solutions to this global predicament. The collaborative efforts of international thought leaders, industry experts, and policymakers have not only enriched the discourse on countering smuggling and counterfeiting but have also paved the way for a collective commitment to address these challenges comprehensively. As the conference unfolded, the exchange of insights and best practices fostered a dynamic environment, advancing a shared understanding of the complexities involved and the need for concerted global action. FICCI CASCADE's dedication to nurturing substantive discussions and forging international partnerships underscores its pivotal role in the ongoing fight against illicit trade and its associated threats.



RECOMMENDATIONS



RECOMMENDATION

**Recommendations
to
Combat ILLICIT TRADE
2024**



Recommendations to Combat ILLICIT TRADE 2024



Cabinet Secretariat and the Prime Minister's Office

While globalization has served as a pivotal driver of economic growth and trade facilitation, it concurrently presents a surge in opportunities for illicit trade, thereby imposing multi-faceted challenges on national administrations. In the context of India, despite commendable efforts by the government and enforcement agencies, the specter of illicit trade persists as a formidable challenge, inflicting substantial losses upon industries, government coffers, and consumers alike. This persistent issue hampers the nation's aspirations to attain security and prosperity, emphasizing the need for comprehensive strategies to address and mitigate the impacts of illicit trade effectively.

Recommendation(s):-

1. Comprehensive Review of Import Policies:

It is recommended to conduct a comprehensive review of existing import policies with the primary objective of identification and elimination of trade barriers that unintentionally promote illicit trade. The overarching goal is to establish facilitative policies that enables the seamless flow of legal international trade, simultaneously discouraging economic offenses such as smuggling.

This review process should prioritize the incorporation of transparency and accountability into the import policy framework. Clear and accessible communication of regulations and procedures, directed towards both stakeholders and the public, is crucial. This approach fosters an environment of compliance, ensuring that all parties are well-informed and, in turn, discouraging engagement in illicit practices.

It will contribute to fostering a trade environment that not only facilitates legitimate international transactions but also acts as a deterrent to illicit activities, thereby promoting economic integrity and compliance.

2. Transition to Moderate Tax Rates:

It is proposed that the government could consider a deliberate shift towards moderate tax rates on goods prone to smuggling. This strategic approach aims to strike a balance between revenue generation and discouraging participation in illicit trade. By recalibrating tax structures in this manner, the goal is to make the legal importation and sale of goods a more financially viable option compared to engaging in smuggling operations.

Rationale: Balancing Revenue and Deterrence

The proposed shift recognizes the delicate equilibrium required to ensure a steady revenue stream for the government while concurrently diminishing the financial incentive to illicit trade. High tax rates inadvertently incentivize smuggling, and this transition seeks to disrupt that incentive by creating a more favorable financial landscape for legitimate importation and trade.

3. Reassess Financial Penalty Limits:

- It is recommended that the government initiates a comprehensive reassessment of the existing financial penalty limits associated with illicit trade. The primary objective is to revise these penalties to such an extent that engaging in illicit trade becomes economically untenable for individuals and entities involved. This strategic revision aims to establish a substantial deterrent, dissuading potential offenders from pursuing illegal activities due to the severe financial consequences involved.
- It has been observed that in the shadowy realms of global commerce, criminal syndicates weave intricate webs of illicit trade and nefarious funding for illegal activities. This nefarious behavior underscores the critical need for imposing significant penalties on such entities. As criminal organizations continue to exploit loopholes and engage in unlawful practices, it is imperative that befitting penalties should be imposed commensurate with the gravity of their offenses. Consequently, there arises a pressing necessity for governments to reassess financial penalty limits associated with illicit trade. Therefore, it is recommended that by way of providing more stringent measures and adjusting penalty thresholds, authorities can effectively deter criminal syndicates from perpetuating their illicit activities.

4. Creation of a Nodal Agency for Data Collection:

Recognizing the critical importance of data in effectively combating illicit trade, it is essential to take proactive measures. Therefore, we propose the establishment of a dedicated nodal agency specifically tasked with comprehensive data collection collation, and dissemination on smuggling and counterfeiting activities.

This envisioned agency will play a pivotal role as a centralized repository, collating and managing diverse sets of data related to illicit trade. Its responsibilities will extend to gathering information on the nature, scale, and patterns of smuggling and counterfeiting operations. By centralizing this information, the agency can streamline data access, facilitating efficient analysis and interpretation.

It will empower authorities with real-time insights into the dynamics of illicit trade, helping them formulate targeted and effective interventions. Additionally, the centralized repository will serve as a valuable resource for research, enabling a deeper understanding of emerging trends and patterns related to smuggling and counterfeiting.

India Customs has established a National Customs Targeting Centre, a comprehensive data analytics agency, to consolidate all relevant information in one centralized location. A similar initiative could be implemented within the government to streamline the operations of various agencies, enabling enhanced focus and improved outcomes.

5. Global Collaboration through Trade Agreements

Recognizing the global nature of smuggling and counterfeiting, it is recommended that the Government of India actively pursues collaborative efforts through trade agreements with key international partners. This initiative involves aligning India's import duty rates with those of participating nations, thereby fostering a unified and consistent global approach to counter illicit trade.

Rationale:

Unified Deterrent: Smuggling is a transnational issue that necessitates joint efforts with major trading partners. Collaborative efforts through trade agreements establish a collective deterrence against smuggling, reinforcing the global commitment to promote lawful trade practices.

Diplomatic Synergy: Trade agreements strengthen diplomatic ties, providing a framework for enhanced cooperation in combating smuggling and related challenges.

Advanced Intelligence Sharing: Trade agreements facilitate improved sharing of intelligence, enabling more effective identification and interception of illicit trade activities.

6. Investment in Technology and Surveillance

Several countries around the world are prioritizing investments in technology and surveillance to bolster their security measures and combat illicit activities such as smuggling. In the United States, the Department of Homeland Security (DHS) has been actively investing in advanced technology and surveillance systems to enhance border security. This includes the deployment of unmanned aerial vehicles (UAVs) or drones, ground sensors, and sophisticated radar systems along the borders to detect illegal crossings and smuggling attempts.

Similarly, Israel has long been known for its expertise in security related technology. The country invests heavily in developing and deploying state-of-the-art surveillance systems, including advanced CCTV networks, biometric identification systems, and smart fences equipped with sensors and alarms to monitor its borders and prevent illicit activities. China is also making significant investments in technology and surveillance infrastructure to strengthen its border security and combat smuggling. The Chinese government has implemented a range of measures, including the deployment of high-tech surveillance cameras, facial recognition systems, and drones equipped with advanced monitoring capabilities along its borders and key trade routes.

It is recommended that the Government of India should also allocate increased funding towards the acquisition and deployment of cutting-edge technology, robust surveillance systems, and advanced data analytics tools. This strategic investment is imperative to significantly enhance border security and monitor trade routes effectively, ultimately bolstering efforts to detect and prevent smuggling activities.

Rationale:

Technological Advancements: Smugglers often exploit gaps in technology. Investing in advanced systems will bridge these gaps and provide authorities with the tools necessary to stay ahead of evolving smuggling tactics.

Enhanced Detection Capabilities: Modern technology, including drones, sensors, and real-time data analytics, can augment the capabilities of law enforcement agencies, enabling more efficient identification and interception of illicit trade activities.

7. Reinvigorate Global Collaboration and Investing in Counter-terrorism Technologies

The escalating risk of a fragmented approach to counter-terrorism demands immediate attention. It is recommended to take the lead through diplomatic channels in encouraging nations to prioritize a united stance against terrorism. This involves fostering international forums for greater collaboration, information-sharing, and coordinated responses. By leveraging existing diplomatic ties, India can actively engage with key stakeholders to emphasize the importance of collective efforts in addressing the evolving threat landscape. This diplomatic initiative will not only strengthen global partnerships but also enhance the effectiveness of counter-terrorism efforts.

Simultaneously, recognizing the pivotal role of technology in containing terrorism, it is imperative for the Government of India to allocate resources for the development and implementation of advanced counter-terrorism technologies. This includes investing in research and development in areas such as cybersecurity, unmanned aerial system defense, and monitoring online platforms to counter radicalization. Staying at the forefront of technological advancements will enable India to significantly enhance its capabilities in thwarting emerging threats. These technological investments will not only fortify national security but also position India as a key contributor to the global fight against terrorism. This dual approach will ensure a comprehensive strategy to address and mitigate the evolving challenges posed by terrorism on both the diplomatic and technological fronts.

सत्यमेव जयते

Ministry of Finance

1. "Mera Bill Mera Adhikar" Scheme and Lottery Initiative

The 'Mera Bill Mera Adhikar' initiative, launched on the GSTIN portal under the aegis of both Central Board of Indirect Taxes and Customs (CBIC) (Director General of Taxpayer Services) and state governments- Assam, Gujarat, Haryana and the Union Territories of Daman and Diu, Dara and Nagar Haveli and Puducherry. It aims to cultivate a sense of trust and confidence among consumers during their purchasing activities. The scheme is strategically designed to raise awareness about the significance of obtaining authentic invoices for business-to-consumer transactions, thereby contributing to a more transparent economy.

This initiative functions as a Goods and Services Tax (GST) invoice incentive program, offering monetary rewards for the submission of invoices. The introduction of the "Mera Bill Mera Adhikar" scheme, coupled with the lottery scheme in the above-mentioned states and union territories has proven to be an innovative approach in promoting compliance. This innovative approach aligns with the government's commitment to fostering a culture of transparency and accountability among taxpayers.

Recommendation (s):

- There is a need to implement robust verification protocols to ensure the authenticity of submitted invoices, thereby mitigating the risk of counterfeit products entering the market.
- To promote a culture of financial responsibility and accountability, it is suggested to urge the customers to ask for a bill for every purchase. This practice ensures the authenticity of the product and verifies that taxes have been duly paid. By consistently opting for a receipt with each purchase, consumers contribute to the nation's tax compliance, actively participating in the collective effort towards progressive nation-building.
- A next version of this scheme must be initiated.

2. Timely and Accurate Filing Support

The Central Board of Indirect Taxes and Customs (CBIC) approach in nurturing taxpayers for timely and accurate filing of returns has proven effective in minimizing scrutiny and audits regarding Goods and Services Tax (GST). With less than 1% of taxpayers undergoing these processes, it reflects a balanced and supportive approach to compliance. The swift filing of GST-related documents facilitates real-time monitoring and analysis, enabling authorities to identify irregularities and illegal activities promptly. This enhances the overall efficiency of the GST system, making it more resilient against illicit trade practices.

Recommendation:

3. It is suggested to encourage further outreach programs and awareness campaigns to educate taxpayers about the benefits of timely and accurate filing of GST returns. By consistently meeting GST filing deadlines, businesses demonstrate a commitment to abiding by regulations, fostering an environment of trust and cooperation with tax authorities. This cooperative relationship makes it easier for authorities to differentiate between legitimate and illicit trade activities within the GST framework, reducing the likelihood of illegal transactions going unnoticed.

4. Leveraging Data and Automation for Enhanced Risk Management

In the contemporary globalized and intricately interwoven trade environment, the conventional manual method of assessing trade risks has become inadequate. Relying on limited information and human judgment in the current system presents substantial vulnerabilities that can be exploited by sophisticated criminal networks. This not only poses security threats and facilitates illegal imports at our borders but also subverts fair competition and places legitimate businesses in jeopardy. Modernizing the government's revenue collection system through digitalization must be a top priority. This transformative shift will not only streamline processes and boost efficiency, but also foster transparency, strengthen compliance, and unlock new avenues for economic growth.

Recommendation(s):

- It is recommended to employ advanced algorithms, similar to those utilized by agencies like the United States Customs and Border Protection (CBP), to detect suspicious patterns and inconsistencies in trade declarations. These algorithms can proactively flag potential fraud attempts, enhancing risk management protocols and bolstering border security.
- There is an urgent need to invest in advanced scanning equipment like container scanners which are effectively deployed in developed nations to streamline inspections and tighten security. These scanners are employed by agencies like the Australian Border Force and the European Union Customs, can quickly and non-intrusively detect contraband, including weapons, drugs, and illegal goods. By expediting inspections, modern scanners can significantly reduce clearance times for legitimate cargo, thereby boosting trade efficiency and lowering costs for businesses.

5. Enhancing public awareness for increased public participation in the informer incentive/award system

The Central Board of Indirect Taxes and Customs has issued reward guidelines called "The guidelines for grant of rewards to be paid to the officers, informers and other persons in case of seizures of Narcotics drugs, Psychotropic substances etc. on October 10, 2017 to regulate the grant and payment of reward to informers and government officers.

Recommendation:

To encourage broader public involvement, it is recommended to enhance the visibility of the scheme through comprehensive public awareness initiatives. This could involve leveraging mass media, community outreach programs, and targeted digital advertising to educate citizens about the advantages of the scheme and the procedures for reporting illegal activities.

6. Reclaiming Rewards for Seized Tobacco

A judicial order mandates the destruction of seized smuggled tobacco products, eliminating potential sale proceeds and hindering reward funding.

Recommendation:

Reforming the incentive structure for tobacco confiscations is recommended. Currently, the practice of destroying tobacco products instead of selling them after concluding a case poses a challenge in providing monetary rewards. This scenario discourages the pursuit of offense cases related to such goods. To address this issue, implementing a reward system for tobacco, similar to that for narcotics and psychotropic substances which are also destroyed post-seizure, could be beneficial. The reward amount could be determined based on a standardized rate linked to the quantity of seized goods and the severity of the offense. It may be appreciated that informers, officers, etc. have to make the same efforts and take risks whether the seized contraband is sold or destroyed as per the decision of the government. Hence, working of the incentive scheme should operate in such a way that informers, officers, etc. do not get discouraged. In view of this, an immediate review of decision of the government is needed.



सत्यमेव जयते

Ministry of Consumer Affairs

I. Grievances and complaints against Online Trading Platforms

The Consumer Protection Act, 2019 provides for redressal of the grievances of consumer through specialized three-tier quasi-judicial agencies, now commonly known as 'National Consumer Disputes Redressal Commissions (NCDRC)' at National level, 'State Consumer Disputes Redressal Commission (SCDRC)' at State level, and 'District Consumer Disputes Redressal Commission (DCDRC)' at District level. The consumer commissions are empowered to give relief of a specific nature and award, wherever appropriate, compensation to consumers.

To safeguard consumers from unfair trade practices in e-commerce, the Department of Consumer Affairs has also notified the Consumer Protection (E-commerce) Rules, 2020 under the provisions of the Consumer Protection Act, 2019. These rules inter-alia outline the responsibilities of e-commerce entities and specify the liabilities of marketplace and inventory e-commerce entities, including provisions for customer grievance redressal.

Recommendation(s)

- It is recommended that the Ministry and cybersecurity authorities can establish a joint task force dedicated to identifying and cracking down on fraudulent online platforms. This collaboration would combine the Ministry's knowledge of consumer complaints with the technical expertise of cybersecurity agencies.
- Ministry in collaboration with cybersecurity experts, can define minimum cybersecurity standards and guidelines for online platforms operating in the country. These standards should address data security, encryption, transaction security, and incident reporting protocols.
- Implementing automated systems for monitoring online platforms for red flags like fake reviews, unusual purchase patterns, and phishing attempts can provide early warnings for investigation.

II. Addressing the Impact of Illicit Trade: Strengthening Consumer Awareness and Education

Engaging in illicit activities such as counterfeiting and smuggling has extensive consequences on the country's economic growth. It contributes to the proliferation of black money, fosters connections to terrorism, results in environmental degradation, and diminishes investments in research and development. Enhancing consumer awareness and education stands as a key strategy, in educating consumers about the inherent dangers associated with illicit products.

Recommendation(s):

- It is recommended that the Ministry under its "Jago Grahak Jago" awareness campaign for consumers should incorporate clear guidelines on recognizing genuine products, understanding security features, and distinguishing authentic packaging this would empower consumers, and enable them to make informed decisions during purchases.
- Facilitating workshops and training sessions for both consumers and retailers is imperative. These interactive sessions can delve into the nuances of counterfeit detection, emphasizing the importance of scrutinizing products before purchase.

- Educating consumers on the importance of voicing concerns when they identify that the products, they have purchased are not authentic. The consumers should also leverage the services provided by consumer courts.
- Collaboration with law enforcement agencies is essential to bolster these awareness efforts. Law enforcement agencies can contribute by sharing real-life case studies and insights into the methods employed by illicit traders, further enriching the educational experience.

III. Allocation of Corporate Social Responsibility (CSR) Funds

In today's business landscape, allocating Corporate Social Responsibility (CSR) funds emerges as a critical strategy to drive meaningful social change. It is imperative for companies to harness their CSR initiatives strategically, channelling resources into endeavours that tackle urgent societal issues. Among these challenges, the rampant spread of illicit trade looms large, presenting multifaceted threats to global economies, societies, and ethical norms.

Recommendations(s):

- It is recommended to allocate Corporate Social Responsibility (CSR) funds towards initiatives aimed at raising awareness about illicit trade. By strategically investing CSR funds in awareness campaigns, companies can actively contribute to the fight against illicit trade and promote a culture of integrity, transparency, and ethical conduct in the marketplace.
- Through targeted awareness programs, companies can highlight the financial and non-financial implications associated with illicit trade, emphasizing the risks and consequences faced by individuals and businesses involved in such activities.

IV. Creating an Integrated Reporting System for Illicit Products

- Establishing a centralized portal for consumers to report instances of counterfeit or spurious products in the market is recommended.
- The information gathered through this portal can be instrumental in taking decisive actions against the sources responsible for these illicit products.
- The portal's functionality can extend to tracking trends and patterns in the sale of counterfeit and smuggled goods.
- Maintaining a central repository of information on illicit products would provide the Ministry with valuable insights into the issue, enabling the development of targeted solutions.
- This initiative will enhance the effectiveness of search and seizure mechanisms for concerned enforcement agencies by identifying key centres of illegal product sales.

V. Self-Regulation Initiatives: Curbing the Proliferation of Illicit Products

- The Ministry of Consumer Affairs can promote industry associations and businesses to adopt self-regulation initiatives, including product labelling, product tracking, and consumer education, to monitor the circulation of illicit products in the market.
- Implementation of self-regulation measures by the Ministry will bolster consumer trust in the products they acquire, subsequently diminishing the demand for counterfeit or spurious goods.

Ministry of Home Affairs

I. Risk Assessment and Intelligence Gathering:

Smuggling characterized by the illegal transportation of goods across national and international borders, presents a complex challenge driven by global criminal networks operating at a multinational level. To effectively counteract this illicit activity, it is imperative to adopt a comprehensive and synchronized approach. A concerted, all-out effort must be directed towards dismantling each component of the smuggling ecosystem, acknowledging the interconnected nature of these operations. By doing so, nations can fortify their border security and disrupt the intricate networks that facilitate and perpetuate smuggling activities in these critical areas.

Recommendation(s):

- It is recommended to establish specialized intelligence units focused on gathering information related to illicit trade activities. These units can work in collaboration with national and international intelligence agencies to gather timely and accurate data.
- There is a dire need to implement advanced risk assessment tools that can analyze data on cargo shipments, travellers, and historical patterns to identify high-risk individuals or shipments for targeted scrutiny.

II. Technological Innovations to Safeguard Borders

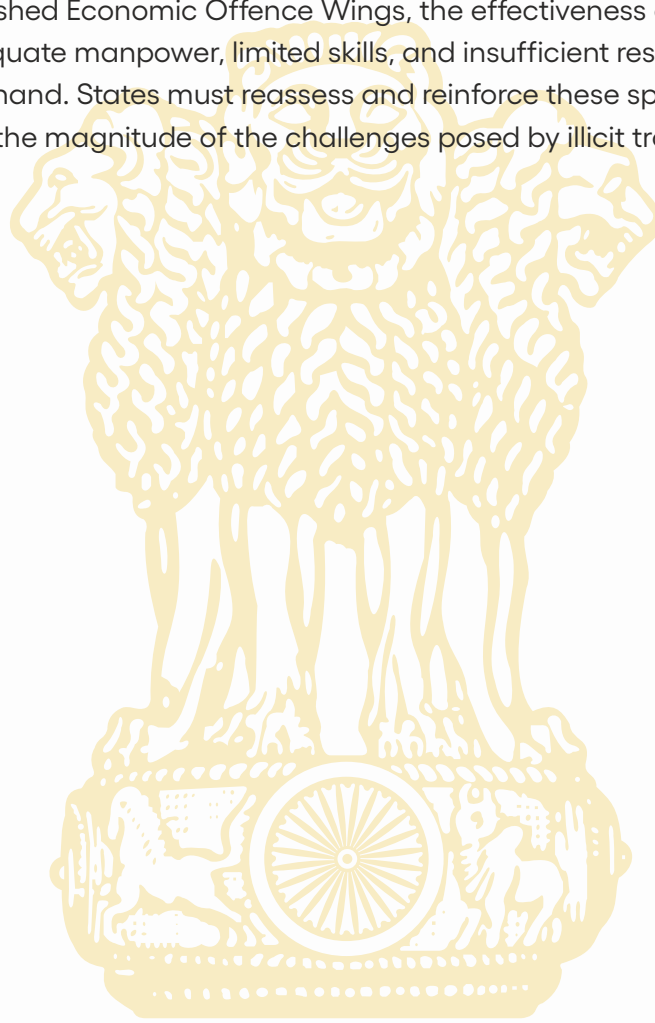
The integration of technological innovations in the realm of border security represents a paradigm shift, ushering in a new era of heightened effectiveness and responsiveness. In a landscape where the nature of threats is evolving, embracing cutting-edge technologies becomes imperative to stay ahead of illicit activities. Advanced surveillance systems, such as state-of-the-art cameras, sensors, and drones, contribute to real-time monitoring and intelligence gathering, creating a dynamic and proactive defence against potential security breaches. These innovations not only streamline the identification process but also enable authorities to quickly detect and respond to individuals with malicious intent.

Recommendation(s):

- It is suggested to install advanced X-ray scanning and imaging systems at border crossings to conduct non-intrusive inspections of vehicles and cargo. These state-of-the-art technologies have the capability to unveil hidden compartments and illicit goods without the need for physical contact, ensuring a thorough examination process.
- The introduction of electronic tracking systems for cargo shipments is imperative, facilitating real-time monitoring of their movement. This helps in ensuring that goods follow approved routes and minimizes the risk of diversion for illicit purposes.

III. Revitalizing Infrastructure, Strengthening Capacity, and Resource Development

To bolster the capabilities of law enforcement agencies in detection and investigation, there is a pressing need for capacity building in the realms of skills, infrastructure, and technology. While the current focus of law enforcement remains on crime control, security, and maintaining law and order, it is essential to elevate the prioritization of combating crimes such as, counterfeiting, and smuggling within state police forces. Although several states have recently established Economic Offence Wings, the effectiveness of these special units is hindered by inadequate manpower, limited skills, and insufficient resources relative to the scale of the issue at hand. States must reassess and reinforce these specialized wings to deal effectively with the magnitude of the challenges posed by illicit trade.



सत्यमेव जयते



Ministry of Law and Justice

India boasts a robust legal framework, including legislation such as the Customs Act, Trademarks Act, Copyright Act, and the Prevention of Corruption Act. These legislative pillars serve the primary aim of combating and penalizing unlawful trade and activities that pose significant threats to the economy and national security. The nexus between smuggling, money laundering, and terror financing is widely acknowledged. Our judiciary plays a crucial role in interpreting and enforcing these laws, thereby ensuring equality, and serving as a deterrent to potential offenders through a cohesive fusion of legislative and judicial endeavors. A proactive stance by the judiciary is imperative, especially in cases involving socioeconomic offenses, where an inherent imbalance exists.

I. **Enhancing Legal Provisions relating to Offences & Penalties for Counterfeiting and Smuggling**

Sections 102 to 105 of the Trademarks Act, 1999 provide criminal remedies for selling counterfeit products. Any person who sells, exhibits, or hires goods for sale that have a false trademark is liable to penal action. The burden of proving the assent of the proprietor of the trademark in a situation of falsifying and falsely applying trademarks lies on the accused. The infringement is punishable with imprisonment of between six months and three years. The fine prescribed is between Rs. 50,000 and Rs. 200,000. Repeat offenders faces enhanced punishment for second and subsequent offences with imprisonment from one to three years and a fine between Rs. 100,000 and Rs. 200,000 rupees.

Recommendation(s):

- It is suggested to introduce amendments in the existing legislation to include stricter penalties and provisions specifically targeting counterfeiting and smuggling activities to serve as a stronger deterrent against such illegal practices.
- There is an urgent need to consider increasing the severity of imprisonment compared to the current standards. The possibility of enhancing the punishment to a range of 1 to 5 years.
- According to Section 111 to 114 and 135 of the Customs Act 1962, penalties are imposed for specific offenses, including smuggling. These penalties entail the confiscation of goods or conveyances involved in smuggling and impose fines on the offenders. The fines may extend to three times the value of the goods and/or imprisonment upto seven years when value in offence cases exceeds Rs. One crore otherwise upto three years. Similar fines could be integrated into other Acts as well, allowing for an increase in the value of the goods involved. This would serve as a stringent monetary penalty for offenses committed by illicit market operators.

II. **Speedy Adjudication of Economic Offences for the Growth of Indian Industry**

Ensuring the swift adjudication of economic offenses is paramount for fostering the growth of the Indian industry. Prompt resolution of cases related to economic crimes, such as smuggling and counterfeiting, is vital in maintaining market integrity and investor confidence. Speedy justice not only deters illicit activities but also promotes a fair and

transparent marketplace, ultimately contributing to the sustainable development and prosperity of the Indian economy.

Recommendation(s):

- Establish specialized courts or designate specific judicial benches to expedite trials related to counterfeiting and smuggling cases, ensuring swift and efficient justice delivery. These specialized courts can facilitate quicker resolution of cases by judges with expertise in economic and commercial matters.
- Given the presence of an Intellectual Property Rights (IPR) bench, it is imperative to establish a dedicated judicial framework for addressing illicit trade, including smuggling. This specialized bench should handle illicit trade cases with the same level of attention and efficiency as IPR cases. Emphasizing a fast-track approach, such cases should be expedited, ensuring swift justice and imposing severe penalties to deter illicit trade activities.
- It is necessary to implement measures to enhance the efficiency of judicial processes, including the allocation of sufficient resources, training for judicial personnel, and the adoption of technology-driven solutions to expedite case management and reduction of procedural delays.
- Encouraging the use of alternative dispute resolution mechanisms, such as mediation and arbitration, to resolve economic offenses in a timely and cost-effective manner is the need of hour. These mechanisms can help alleviate the burden on traditional court systems and expedite the resolution of disputes.
- " There is a pressing need to promote the adoption of wiretapping techniques within judicial processes to effectively address complex criminal activities, such as terrorism, organized crime, and national security threats.
- It is imperative to foster closer collaboration between judicial authorities and law enforcement agencies involved in investigating economic offenses. Timely sharing of information and coordination between agencies can facilitate smoother legal proceedings and expedite the adjudication process.

III. International Best Practices for Curbing Counterfeiting and Smuggling

Advocate for stronger ties with international law enforcement agencies and intelligence networks to facilitate the exchange of crucial information related to global smuggling networks. Such partnerships facilitate the exchange of critical information regarding global smuggling networks, enabling proactive measures against transnational criminal activities. Enhanced international cooperation not only provides access to valuable insights and resources but also fosters coordinated efforts in combating cross-border smuggling operations.

Recommendation:

By fostering stronger ties with international counterparts, the judiciary can access a wealth of intelligence and expertise, enabling more effective detection, investigation, and prosecution of smuggling networks. This proactive approach helps mitigate the impact of transnational crime on national security, economic stability, and public.

Ministry of Commerce and Industry

Illicit trade poses a pervasive threat to the competitiveness of legitimate businesses by fostering an environment of unfair competition. Unlawful practices such as counterfeiting and smuggling not only enable illicit traders to offer goods and services at lower prices but also erode the trust and reputation of legitimate enterprises. This undermines the investments made by lawful businesses in innovation, quality, and brand building. The illicit trade operates outside legal frameworks which creates an uneven playing field, impeding the growth and success of legitimate businesses. Addressing this challenge requires concerted efforts to curb illicit activities and reinforce the integrity of legal business operations.

Recommendation(s):

I. Enhancing Supply Chain Integrity: Leveraging Advanced Technologies to Combat Illicit Trade

It is suggested to leverage advanced technologies such as blockchain, RFID, and track-and-trace systems in the supply chain to enhance transparency and mitigate the risks associated with unauthorized activities. By implementing these technologies, it becomes possible to monitor and trace the movement of goods from their origin to the end consumer. This transparency not only helps in strengthening the overall integrity of the supply chain but also acts as a deterrent to illicit trade by minimizing the avenues through which counterfeit or smuggled products can enter the market without detection.

II. Public-Private Partnerships

Fostering collaboration between the government and private sector entities is an imperative step to facilitate the sharing of information and intelligence on illicit trade activities. This collaboration enables a more comprehensive understanding of the modus operandi of illicit networks, facilitating effective countermeasures.

III. Strengthening E-commerce Integrity against Counterfeit Challenges

The challenge consumers face in e-commerce, particularly with counterfeit products, can be addressed through the implementation of stringent measures. Encouraging platforms to adopt rigorous seller verification processes and invest in advanced algorithms for the detection and removal of counterfeit listings ensures a more secure marketplace. This approach not only safeguards consumers from fraudulent transactions but also strengthens the overall integrity of e-commerce platforms, creating an environment where illicit trade struggles to thrive.

IV. Ensuring Export Integrity

It is recommended to oversee exports to verify that products leaving India are genuine and free from counterfeiting. In doing so, stringent export monitoring measures should be implemented to safeguard the reputation of Indian goods in the global market and prevent any adverse impact on consumers.

V. Navigating Global Trade Regulations

To encourage adherence to global standards and regulations governing the trade of goods, particularly the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), will be a crucial factor in addressing the challenges posed by smuggling and counterfeiting. The WTO has established regulations aimed at mitigating the escalating threat of illicit trade by fostering improved transparency, predictability, and the reinforcement of borders and regulatory controls.

Ministry of Electronics and Information Technology

India is increasingly recognized as a hub of technical innovation on a global scale. The diverse talent pool within the country's IT sector serves as a valuable resource for individuals worldwide. It is imperative for India to leverage this expertise to explore and implement effective global solutions aimed at addressing counterfeiting and smuggling through the application of information technology. Utilizing information systems can prove instrumental in combating the scourge of counterfeiting by streamlining the identification of counterfeit products and facilitating the seamless exchange of pertinent information on the matter.

Recommendation(s):

I. Data Analytics Platform

There is a need to develop AI tools capable of assimilating extensive data from diverse sources, including trade records, customs declarations, shipping manifests, financial transactions, and online marketplaces. These tools can employ machine learning algorithms to analyze the data, discerning patterns, anomalies, and trends indicative of illicit trade activities such as smuggling and counterfeiting. By generating insights and predictive analytics, the tool can empower law enforcement agencies and regulatory authorities to prioritize investigations and allocate resources more effectively.

II. Data Protection and Encryption

The Ministry can implement robust data protection measures to ensure the confidentiality, integrity, and availability of sensitive information collected and analyzed by AI tools. This can be done by utilizing encryption techniques to secure data both in transit and at rest, preventing unauthorized access and tampering by malicious actors.

III. Continuous Monitoring and Threat Detection

- The Ministry can deploy advanced cybersecurity solutions for continuous monitoring and threat detection, including Intrusion Detection Systems (IDS), Security Information and Event Management (SIEM) platforms, and Endpoint Detection and Response (EDR) tools.
- Additionally, protocols can be established to enable real-time alerting and incident response mechanisms, ensuring prompt identification and mitigation of security incidents or breaches.

IV. Developing a Centralized Track and Trace System

A centralized application for track and trace is essential to address the growing need for product authentication. Consumers should have access to a downloadable application that enables them to verify the authenticity of products swiftly before completing a purchase. Such an app not only empowers consumers but also equips brand owners with the tools necessary to identify, track, and thwart the sale of counterfeit products by unauthorized sellers.

V. Enhancing Cybersecurity Awareness Initiatives

To fortify cybersecurity measures, the Ministry can amplify its efforts in conducting awareness initiatives. Educating consumers about the perils of cyber threats and imparting knowledge on protective measures is crucial in minimizing cyber-attacks and safeguarding personal and financial information. The initiatives may encompass the dissemination of informative literature through brochures, as well as organizing workshops and seminars in educational institutions and communities. By fostering a heightened awareness, these initiatives not only bolster consumer confidence in utilizing digital technologies but also contribute to the advancement of the Digital India campaign.

ARTICLE





ARTICLE

आतंकी संगठनों के बेलगाम वित्तीय स्रोत

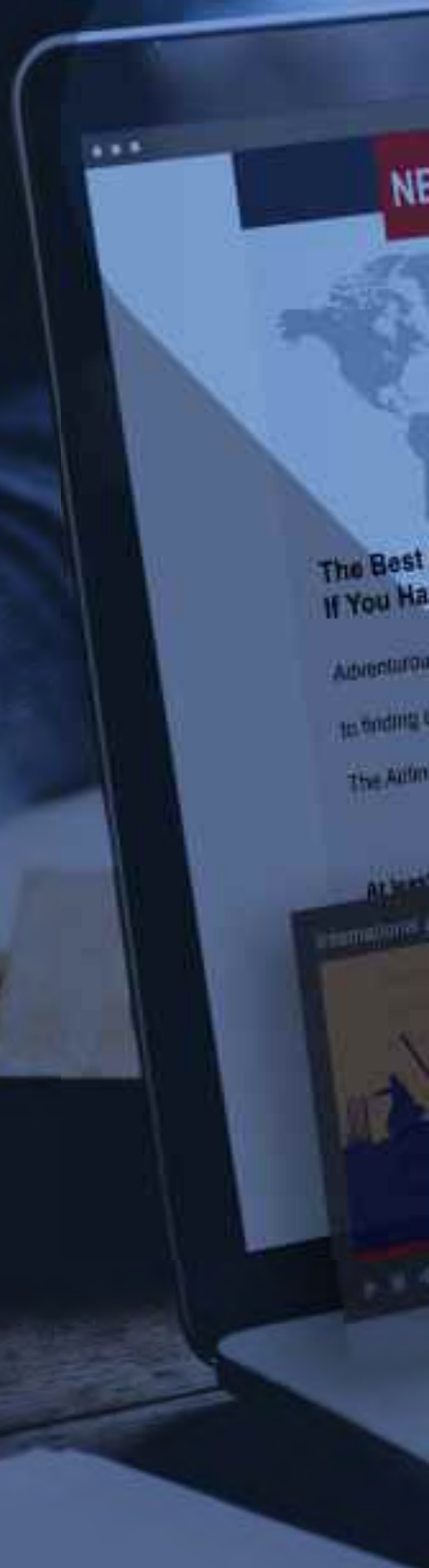
इजरायल-फलस्तीन संघर्ष दशकों पुराना है। इस संघर्ष की चिंगारी सात अक्टूबर को इजरायल पर हुए हमला के भयावह आतंकी हमले के बाद और भड़क उठी। इससे यह भी स्पष्ट हुआ कि कुछ लोग अपने नापाक मंसूबों को पूरा करने के लिए किसी भी प्रकार के शैतानी तरीकों का इस्तेमाल करने से नहीं हिचकते। इसके जरिये वे सभ्य समाज के लिए बड़ी समस्याएं और कठिनाइयां पैदा कर देते हैं। मास और हिजबुल्ला जैसे आतंकी संगठन ऐसे ही हैं। ये कई वर्षों से आतंक को बढ़ावा दे रहे हैं। इजरायल-हमास युद्ध के चलते दोनों ओर तमाम लोग हताहत हुए हैं। इसकी सबसे बड़ी कीमत निर्दोष लोगों को चुकानी पड़ी है, क्योंकि जान गंवाने वालों में बड़ी संख्या बच्चों, महिलाओं और युवाओं की है। ऐसे आतंकी समूह ऐसी विकट स्थितियां पैदा करते हैं, जो जवाबी प्रतिशोध और अस्थिरता का कारण बनती हैं। हमला का इजरायल पर हुआ हमला ऐसा ही एक उदाहरण है। इजरायल के जवाबी हमले से गाजा के लोगों की मुश्किलें ही बढ़ीं। वहां बड़ी संख्या में असहाय नागरिकों को भोजन, पानी, बिजली और दवाओं तक की भारी कमी का सामना करना पड़ रहा है। इसके चलते तमाम लोग सुरक्षित आश्रय की तलाश में अपने घरों से भाग गए और दुर्भाग्य से कई मारे भी गए। ऐसी समस्या के मूल कारण की पड़ताल करेंगे तो अवैध व्यापार और विभिन्न स्रोतों से आतंकी संगठनों को मिलने वाली वित्तीय सहायता सामने आएगी। ऐसे में, आतंकियों के इस वित्तीय प्रवाह को अवरुद्ध करना बहुत आवश्यक है।



ANIL RAJPUT

Chairman, FICCI CASCADE and
Member-Corporate Management
Committee & President,
Corporate Affairs, ITC Ltd

MEDIA COVERAGE



MEDIA COVERAGE



Media Coverage

Govt 'fully prepared' to levy 28% GST on online gaming from Oct 1: CBIC

By Bureau
New Delhi, September 18

THE GOVERNMENT IS 'fully prepared' to levy 28% GST on online gaming, horse racing and casinos from October 1, says the Central Board of Indirect Taxes and Customs (CBIC) chairman Sanjay Kumar Agarwal.



Sanjay Kumar Agarwal, Chairman of CBIC, says the government is fully prepared to levy 28% GST on online gaming from Oct 1.

He said the government is fully prepared to levy 28% GST on online gaming, horse racing and casinos from October 1, says the Central Board of Indirect Taxes and Customs (CBIC) chairman Sanjay Kumar Agarwal.

The government is fully prepared to levy 28% GST on online gaming, horse racing and casinos from October 1, says the Central Board of Indirect Taxes and Customs (CBIC) chairman Sanjay Kumar Agarwal.

He said the government is fully prepared to levy 28% GST on online gaming, horse racing and casinos from October 1, says the Central Board of Indirect Taxes and Customs (CBIC) chairman Sanjay Kumar Agarwal.

The government is fully prepared to levy 28% GST on online gaming, horse racing and casinos from October 1, says the Central Board of Indirect Taxes and Customs (CBIC) chairman Sanjay Kumar Agarwal.

The government is fully prepared to levy 28% GST on online gaming, horse racing and casinos from October 1, says the Central Board of Indirect Taxes and Customs (CBIC) chairman Sanjay Kumar Agarwal.

He said the government is fully prepared to levy 28% GST on online gaming, horse racing and casinos from October 1, says the Central Board of Indirect Taxes and Customs (CBIC) chairman Sanjay Kumar Agarwal.

NOTICES BASED ON DATA ANALYSIS

'eGaming Cos Tax Demand in Line with Legal Stand'

CBIC chair says will implement 28% GST regime after state laws amended, review in 6 months

Our Bureau

New Delhi: Goods and services tax (GST) tax notices to online gaming companies are in accordance with legal provisions, Central Board of Indirect Taxes and Customs (CBIC) chairman Sanjay Kumar Agarwal said on Thursday, ruling out any immediate review.

He said the government was ready to implement the 28% GST regime for online gaming, horse racing and casinos following the GST Council's decision of last month as soon as all states amend their respective laws. The Council will take stock of the tax regime in six months, as decided at its last meeting on August 2, he said.

"The department is taking a uniform stand in the interpretation of law and, accordingly, showcase notices are being issued," Agarwal told reporters on the sidelines of a FICCI event, adding that all notices were based on internal data analysis.

His comments came in the backdrop of many large online

Not A Game

CBIC says no immediate review of notices sent to real money gaming (RMG) cos

TAX DEMAND (₹ Crore)

Gameskraft	21,000
Dream11	25,000
Delta Corp	16,823

GOVT'S CASE FOR LEVY...

GST on RMG cos was always 28% on full face value
Council only clarified

Cos paid at 18%, differentiating between games of skill and chance

Also, they paid tax on gross gaming revenue, not on bet amount



gaming companies—including Delta Corp and Dream11—receiving tax demand notices running into thousands of crores.

On August 16, ET first reported that the Directorate General of GST Intelligence (DGGI) would send notices to real money gaming (RMG) companies that had hitherto paid tax at a rate of 18% on gross gaming revenue, positioning themselves as platforms of 'games of skill.'

Chance versus Skill >>> 11

आतंकी संगठनों के बेलगाम वित्तीय स्रोत

How

आतंकी संगठनों के बेलगाम वित्तीय स्रोत... (Text continues in Hindi)



आतंकी संगठनों के बेलगाम वित्तीय स्रोत... (Caption text)

आतंकी संगठनों के बेलगाम वित्तीय स्रोत... (Text continues in Hindi)

आतंकी संगठनों के बेलगाम वित्तीय स्रोत... (Text continues in Hindi)

Ready to bring 28% GST on e-gaming from Oct 1, says Centre; all states yet to pass laws

ANIMAL WELFARE
MORNING REPORT

STATES KEY TO IMPLEMENTING DECISION

GOVT'S CASE FOR LEVY...

GST on RMG cos was always 28% on full face value
Council only clarified

Cos paid at 18%, differentiating between games of skill and chance
Also, they paid tax on gross gaming revenue, not on bet amount

'Increased monthly GST collections mainly on account of higher compliance'

CBIC (tax) today... (Text continues in Hindi)

बेहतरीन का अनुकूलन के काल में बढ़ रहा मासिक जीएसटी

बेहतरीन का अनुकूलन के काल में बढ़ रहा मासिक जीएसटी... (Text continues in Hindi)

SOCIAL MEDIA



SOCIAL MEDIA

Social Media



2021 FICCI MAEAF 2021
Resilient Strategies in Mitigating illicit Market Threats - Industry Perspectives

The Power of Collaborative Efforts
 Collaborative approaches in intelligence, tracking and enforcement are essential.

Mr. Hiroshi Watanabe
 Director and Head of Office of Asia Pacific, South Korea, Japan

Panel Discussion

2021 FICCI MAEAF 2021
Resilient Strategies in Mitigating illicit Market Threats - Industry Perspectives

Protecting the Social Fabric of Nations: Countering the lethal linkages of illicit Trade and Terror Financing

Mr. Marco Teisiero
 Head of Enforcement for South Asia, Africa

2021 FICCI MAEAF 2021
Resilient Strategies in Mitigating illicit Market Threats - Industry Perspectives

The Power of Judicial Interventions: Current Trends and Strategies for Countering Counterfeiting and Smuggling

MR. SANJEEV TRIPATHI
 Former Chief of IITM and Team Lead, Mumbai, FICCI, 2012-2018

2021 FICCI MAEAF 2021
Resilient Strategies in Mitigating illicit Market Threats - Industry Perspectives

MS. SURIYA PRABHA PADMANABHAN
 Director of Programs, IITM

Panel Discussion

2021 FICCI MAEAF 2021
Resilient Strategies in Mitigating illicit Market Threats - Industry Perspectives

Counterfeiting and Smuggling have become increasingly lucrative businesses combined with integration and deployment of technology.

Hon'ble Mr. Justice K.V. Viswanathan
 Judge, Supreme Court of India

2021 FICCI MAEAF 2021
Resilient Strategies in Mitigating illicit Market Threats - Industry Perspectives

Protecting the Social Fabric of Nations: Countering the lethal linkages of illicit Trade and Terror Financing

Mr. Marco Ferreris
 Director of Finance, Milano, Italy

Panel Discussion

2021 FICCI MAEAF 2021
Resilient Strategies in Mitigating illicit Market Threats - Industry Perspectives

Protecting the Social Fabric of Nations: Countering the lethal linkages of illicit Trade and Terror Financing

Mr. Neel Shah
 former Chairman, Central Board of Indirect Taxes and Customs, New Delhi Member, IITM, IITM

Session Chair

2021 FICCI MAEAF 2021
Resilient Strategies in Mitigating illicit Market Threats - Industry Perspectives

FICCI has been playing a pivotal role in curbing the menace of counterfeit goods, by undertaking awareness programmes and disseminating information of the issues faced by various law enforcement agencies.

Mr. Sanjay Kumar Agarwal
 Chairman, IITM & IITM

2021 FICCI MAEAF 2021
Resilient Strategies in Mitigating illicit Market Threats - Industry Perspectives

Prevent, Detect & Disrupt: THE DAUNTING IMPACT OF ORGANIZED CRIME, TERROR FINANCING, AND ILLICIT TRADE

MS. SONIA NARANG
 Special Director, Directorate of Enforcement

2021 FICCI MAEAF 2021
Resilient Strategies in Mitigating illicit Market Threats - Industry Perspectives

High profits, minimal penalties, low production costs, and limited legal consequences are some of the reasons which make Counterfeiting attractive to organized criminals.

Mr. Michael Pomison
 Director, Enforcement Division, New Delhi

2021 FICCI MAEAF 2021
Resilient Strategies in Mitigating illicit Market Threats - Industry Perspectives

MR. RAJDEEP DATTA
 IITM, Former IITM

2021 FICCI MAEAF 2021
Resilient Strategies in Mitigating illicit Market Threats - Industry Perspectives

The government under the able guidance of our Hon'ble Prime Minister Shri Narendra Modi has showcased commendable leadership by enacting laws that not only align with our international commitments but also exhibit a progressive outlook.

Shri Anurag Thakur
 IITM, Former IITM



9th edition
MASCRADE 2023
Movement Against Smuggled & Counterfeit Trade

THANK YOU PARTNERS

TITLE PARTNER



PLATINUM PARTNER



SILVER PARTNER



SESSION PARTNER





See
you
soon...

at


MASCRADE 2024
MOVEMENT AGAINST SMUGGLED & COUNTERFEIT TRADE
25-26 September 2024 | The Lalit, New Delhi

Key Contacts

Kashifa Hasan
Deputy Director
kashifa.hasan@ficci.com

Shikha Bhatt
Assistant Director
shikha.bhatt@ficci.com

+91-11-23487528

cascade@ficci.com

www.ficcicascade.in





Established in 1927, FICCI is the largest and oldest apex business organisation in India. Its history is closely interwoven with India's struggle for independence, its industrialization, and its emergence as one of the most rapidly growing global economies.

A non-government, not-for-profit organisation, FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry. It serves its members from the Indian private and public corporate sectors and multinational companies, drawing its strength from diverse regional chambers of commerce and industry across states, reaching out to over 2,50,000 companies.

FICCI provides a platform for networking and consensus building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.

www.ficci.in



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.

FICCI Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE)

www.ficcicascade.in