



## CYBERFRAUD LOSSES & GDP: ECONOMY

**NEWS:** Cyberfraud losses could amount to 0.7% of GDP, projects Ministry's study

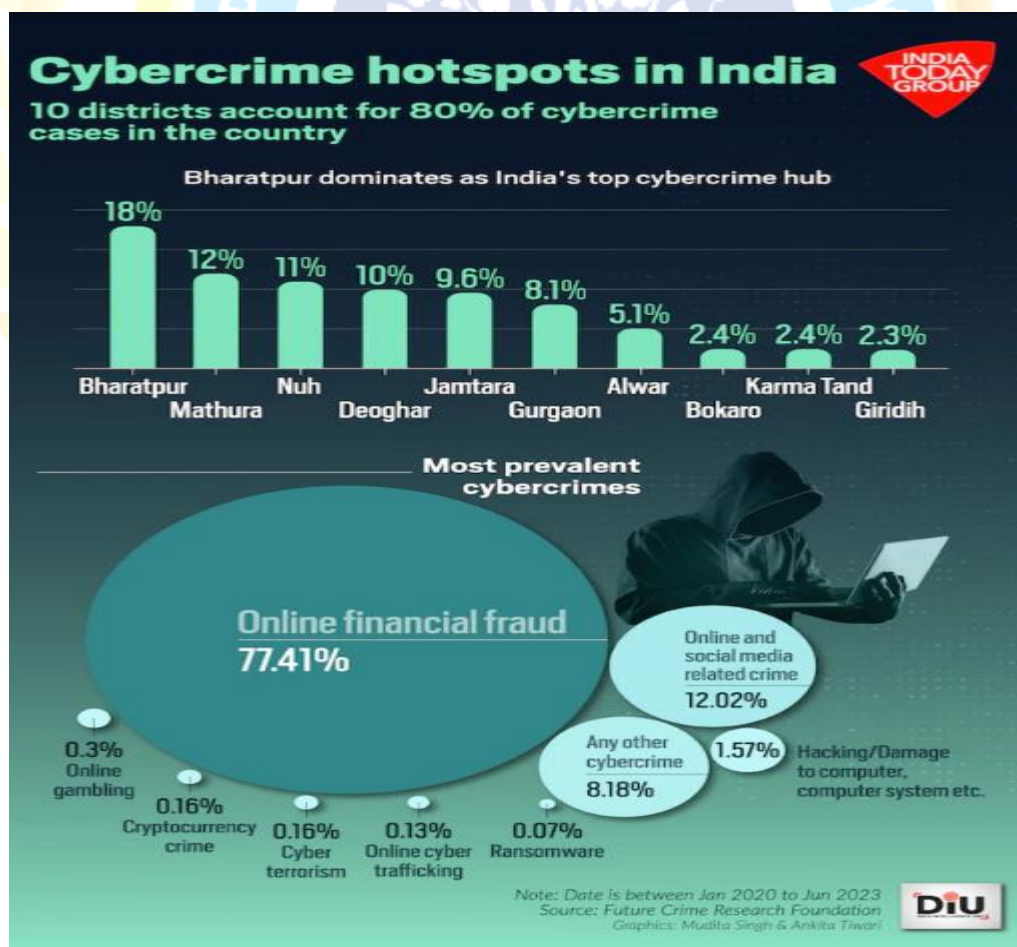
### WHAT'S IN THE NEWS?

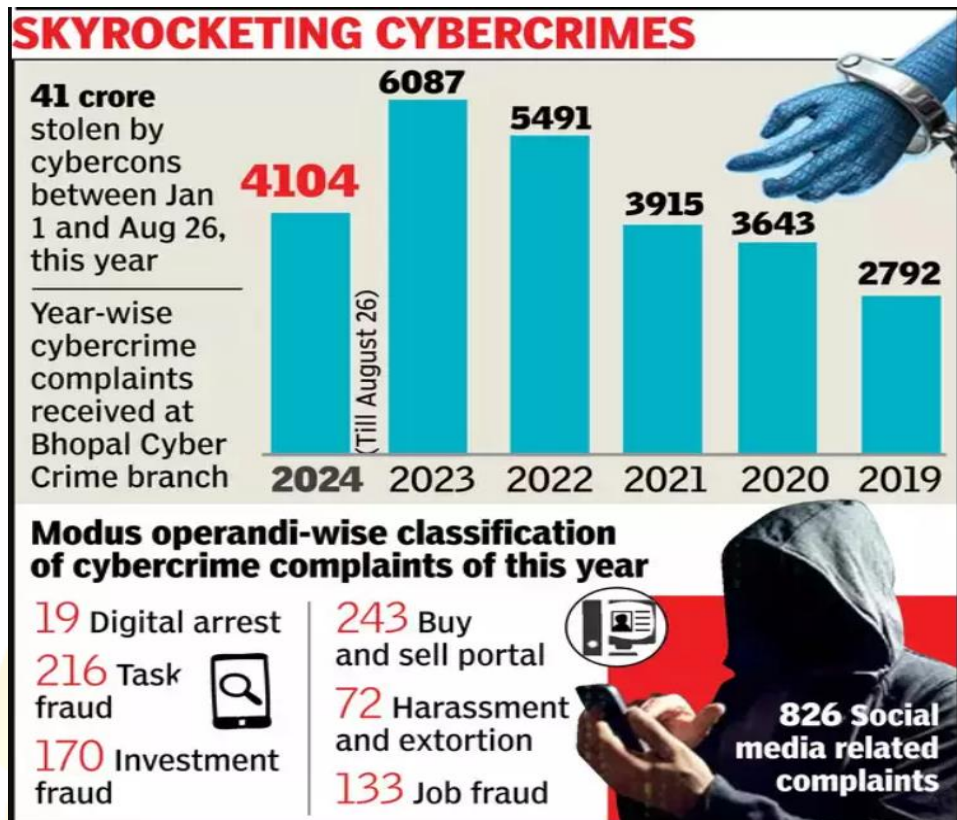
Indians are projected to lose over ₹1.2 lakh crore to cyberfrauds in the coming year, according to a study by the Indian Cyber Crime Coordination Centre (I4C). Many scams originate from China and South East Asia, with funds often transferred abroad through cryptocurrency or ATMs.

**Online Financial Scams Impact:** Financial scams, often using "mule bank accounts" to mask the flow of funds, pose a serious threat to India's economy, with estimated losses potentially reaching 0.7% of the country's GDP.

### International and Domestic Connections:

- **International Transfers:** A large portion of defrauded money is transferred overseas. Many of these scams are suspected to have links with China or China-affiliated entities.
- **Domestic Scam Operations:** Scams originating within India often involve multiple bank accounts before cash is withdrawn from ATMs, making it challenging to trace the flow of funds.





## Role of Indian Cyber Crime Coordination Centre (I4C):

- **Identification of Accounts:** I4C identifies nearly 4,000 mule bank accounts daily, a crucial step in tracking and mitigating financial fraud.
- **I4C Overview:** Established under the Ministry of Home Affairs, Government of India, I4C is designed to counter and coordinate efforts against cybercrime across the country.
- **Approval and Funding:** Approved in October 2018 with a budget of ₹415.86 crore.
- **Key Actions:** Following I4C's recommendation, the Indian government banned 59 mobile apps of Chinese origin in June 2020, aiming to limit security risks from foreign entities.

**DigiKavach Initiative:** In 2023, Google launched DigiKavach in collaboration with I4C to bolster protections for Indian users against online financial fraud.

**Source:** <https://www.thehindu.com/sci-tech/technology/cyber-fraud-losses-could-amount-to-07-of-gdp-mha-study-projects/article68788093.ece>