

The Prevention of Money Laundering Act, 2002



Corrida Legal presents the Bare Act Series, sourced from official texts and supported with an executive summary designed to help readers grasp the essence of the law with ease.

NOTE:

An Executive Summary of the Prevention of Money Laundering Act, 2002 (PMLA) is included towards the end of this document, right after the full bare act of the statute. This summary helps professionals, business owners, compliance officers, HR managers, legal practitioners, and students quickly understand the key provisions relating to the offence of money laundering, attachment and confiscation of proceeds of crime, obligations of reporting entities, role and powers of the Enforcement Directorate (ED), adjudication and appellate procedures, penalties for non-compliance, and enforcement mechanisms, without having to read the entire text.

The Prevention of Money Laundering Act, 2002 Summary provides a clear, practical, and time-saving guide for anyone looking to understand India's anti-money laundering framework, ensure compliance with financial reporting and due diligence requirements, manage legal and regulatory risks, and stay aligned with statutory obligations under the PMLA bare act.

THE PREVENTION OF MONEY-LAUNDERING ACT, 2002

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THE PREVENTION OF MONEY-LAUNDERING ACT, 2002

ACT NO. 15 OF 2003

[17th January, 2003.]

An Act to prevent money-laundering and to provide for confiscation of property derived from, or involved in, money-laundering and for matters connected therewith or incidental thereto.

WHEREAS the Political Declaration and Global Programme of Action, annexed to the resolution S-17/2 was adopted by the General Assembly of the United Nations at its seventeenth special session on the twenty-third day of February, 1990;

AND WHEREAS the Political Declaration adopted by the Special Session of the United Nations General Assembly held on 8th to 10th June, 1998 calls upon the Member States to adopt national money-laundering legislation and programme;

AND WHEREAS it is considered necessary to implement the aforesaid resolution and the Declaration.

BE it enacted by Parliament in the Fifty-third Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the Prevention of Money-laundering Act, 2002.

(2) It extends to the whole of India.

(3) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

2. Definitions.—(1) In this Act, unless the context otherwise requires,—

(a) “Adjudicating Authority” means an Adjudicating Authority appointed under sub-section (1) of section 6;

(b) “Appellate Tribunal” means the Appellate Tribunal²[referred to in] section 25;

(c) “Assistant Director” means an Assistant Director appointed under sub-section (1) of section 49;

(d) “attachment” means prohibition of transfer, conversion, disposition or movement of property by an order issued under Chapter III;

³[(da) “authorised person” means an authorised person as defined in clause (c) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999);]

(e) “banking company” means a banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies and includes any bank or banking institution referred to in section 51 of that Act;

(f) “Bench” means a Bench of the Appellate Tribunal;

⁴[(fa) “beneficial owner” means an individual who ultimately owns or controls a client of a reporting entity or the person on whose behalf a transaction is being conducted and includes a person who exercises ultimate effective control over a juridical person;]

(g) “Chairperson” means the Chairperson of the Appellate Tribunal;

1. 1st July, 2005, *vide* notification No. G.S.R. 436(E), dated 1st July, 2005, *see* Gazette of India, Extraordinary, Part II, sec. 3(i).

2. Subs. by Act 28 of 2016, s. 232, for “established under” (w.e.f. 1-6-2016).

3. Ins. by Act 21 of 2009, s. 2 (w.e.f. 1-6-2009).

4. Ins. by Act 2 of 2013, s. 2 (w.e.f. 15-2-2013).

(h) “chit fund company” means a company managing, conducting or supervising, as foreman, agent or in any other capacity, chits as defined in section 2 of the Chit Funds Act, 1982 (40 of 1982);

¹[(*ha*)“client” means a person who is engaged in a financial transaction or activity with a reporting entity and includes a person on whose behalf the person who engaged in the transaction or activity, is acting;]

(i) “co-operative bank” shall have the same meaning as assigned to it in clause (*dd*) of section 2 of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (47 of 1961);

¹[(*ia*)“corresponding law” means any law of any foreign country corresponding to any of the provisions of this Act or dealing with offences in that country corresponding to any of the scheduled offences;

(*ib*)“dealer” has the same meaning as assigned to it in clause (*b*) of section 2 of the Central Sales Tax Act, 1956 (74 of 1956);]

(j) “Deputy Director” means a Deputy Director appointed under sub-section (*I*) of section 49;

2* * * *

(k) “Director” or “Additional Director” or “Joint Director” means a Director or Additional Director or Joint Director, as the case may be, appointed under sub-section (*I*) of section 49;

³[(*I*) “financial institution” means a financial institution as defined in clause (*c*) of section 45-1 of the Reserve Bank of India Act, 1934 (2 of 1934) and includes a chit fund company, a housing finance institution, an authorised person, a payment system operator, a non-banking financial company and the Department of Posts in the Government of India;]

(m) “housing finance institution” shall have the meaning as assigned to it in clause (*d*) of section 2 of the National Housing Bank Act, 1987 (53 of 1987);

⁴[(*n*) “intermediary” means,—

(i) a stock-broker, ^{5***} share transfer agent, banker to an issue, trustee to a trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser or any other intermediary associated with securities market and registered under section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992); or

(ii) an association recognised or registered under the Forward Contracts (Regulation) Act, 1952 (74 of 1952) or any member of such association; or

(iii) intermediary registered by the Pension Fund Regulatory and Development Authority; or

(iv) a recognised stock exchange referred to in clause (*f*) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);]

⁶[(*na*)“investigation” includes all the proceedings under this Act conducted by the Director or by an authority authorised by the Central Government under this Act for the collection of evidence;]

(o) “Member” means a Member of the Appellate Tribunal and includes the Chairperson;

(p) “money-laundering” has the meaning assigned to it in section 3;

(q) “non-banking financial company” shall have the same meaning as assigned to it in clause (*f*) of section 45-I of the Reserve Bank of India Act, 1934 (2 of 1934)^{7***};

1. Ins. by Act 2 of 2013, s. 2 (w.e.f. 15-2-2013).

2. Clause (*ja*) omitted by s. 2, *ibid.* (w.e.f. 15-2-2013).

3. Subs. by s. 2, *ibid.*, for clause (*I*) (w.e.f. 15-2-2013).

4. Subs. by s. 2, *ibid.*, for clause (*n*) (w.e.f. 15-2-2013).

5. The word “sub-broker,” omitted by Act 23 of 2019, s. 192 (w.e.f. 1-8-2019).

6. Ins. by Act 20 of 2005, s. 2 (w.e.f. 1-7-2005).

7. The words “and includes a person carrying on designated business or profession” omitted by Act 2 of 2013, s. 2 (w.e.f. 15-2-2013).

(r) “notification” means a notification published in the Official Gazette;

¹[(ra) “offence of cross border implications”, means—

(i) any conduct by a person at a place outside India which constitutes an offence at that place and which would have constituted an offence specified in Part A, Part B or Part C of the Schedule, had it been committed in India and if such person ²[transfers in any manner] the proceeds of such conduct or part thereof to India; or

(ii) any offence specified in Part A, Part B or Part C of the Schedule which has been committed in India and the proceeds of crime, or part thereof have been transferred to a place outside India or any attempt has been made to transfer the proceeds of crime, or part thereof from India to a place outside India.

Explanation.—Nothing contained in this clause shall adversely affect any investigation, enquiry, trial or proceeding before any authority in respect of the offences specified in Part A or Part B of the Schedule to the Act before the commencement of the Prevention of Money-laundering (Amendment) Act, 2009 (21 of 2009);

(rb) “payment system” means a system that enables payment to be effected between a payer and a beneficiary, involving clearing, payment or settlement service or all of them.

Explanation.—For the purposes of this clause, “payment system” includes the systems enabling credit card operations, debit card operations, smart card operations, money transfer operations or similar operations;

(rc) “payment system operator” means a person who operates a payment system and such person includes his overseas principal.

Explanation.—For the purposes of this clause, “overseas principal” means,—

(A) in the case of a person, being an individual, such individual residing outside India, who owns or controls or manages, directly or indirectly, the activities or functions of payment system in India;

(B) in the case of a Hindu undivided family, Karta of such Hindu undivided family residing outside India who owns or controls or manages, directly or indirectly, the activities or functions of payment system in India;

(C) in the case of a company, a firm, an association of persons, a body of individuals, an artificial juridical person, whether incorporated or not, such company, firm, association of persons, body of individuals, artificial juridical person incorporated or registered outside India or existing as such and which owns or controls or manages, directly or indirectly, the activities or functions of payment system in India;]

(s) “person” includes—

(i) an individual,

(ii) a Hindu undivided family,

(iii) a company,

(iv) a firm,

(v) an association of persons or a body of individuals, whether incorporated or not,

(vi) every artificial juridical person not falling within any of the preceding sub-clauses, and

1. Ins. by Act 21 of 2009, s. 2 (w.e.f. 1-6-2009).

2. Subs. by Act 2 of 2013, s. 2, for “remits” (w.e.f. 15-2-2013).

(vii) any agency, office or branch owned or controlled by any of the above persons mentioned in the preceding sub-clauses;

¹[(sa) “person carrying on designated business or profession” means,—

(i) a person carrying on activities for playing games of chance for cash or kind, and includes such activities associated with casino;

²[(ii) Inspector-General of Registration appointed under section 3 of the Registration Act, 1908 (16 of 1908) as may be notified by the Central Government;]

(iii) real estate agent, as may be notified by the Central Government;

(iv) dealer in precious metals, precious stones and other high value goods, as may be notified by the Central Government;

(v) person engaged in safekeeping and administration of cash and liquid securities on behalf of other persons, as may be notified by the Central Government; or

(vi) person carrying on such other activities as the Central Government may, by notification, so designate, from time to time;

(sb) “precious metal” means gold, silver, platinum, palladium or rhodium or such other metal as may be notified by the Central Government;

(sc) “precious stone” means diamond, emerald, ruby, sapphire or any such other stone as may be notified by the Central Government;]

(t) “prescribed” means prescribed by rules made under this Act;

(u) “proceeds of crime” means any property derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to a scheduled offence or the value of any such property ³[or where such property is taken or held outside the country, then the property equivalent in value held within the country] ⁴[or abroad];

⁵[Explanation.—For the removal of doubts, it is hereby clarified that “proceeds of crime” include property not only derived or obtained from the scheduled offence but also any property which may directly or indirectly be derived or obtained as a result of any criminal activity relatable to the scheduled offence;]

(v) “property” means any property or assets of every description, whether corporeal or incorporeal, movable or immovable, tangible or intangible and includes deeds and instruments evidencing title to, or interest in, such property or assets, wherever located;

¹[Explanation.—For the removal of doubts, it is hereby clarified that the term “property” includes property of any kind used in the commission of an offence under this Act or any of the scheduled offences;

(va) “real estate agent” means a real estate agent as defined in clause (88) of section 65 of the Finance Act, 1994 (32 of 1994);]

(w) “records” include the records maintained in the form of books or stored in a computer or such other form as may be prescribed;

¹[(wa) “reporting entity” means a banking company, financial institution, intermediary or a person carrying on a designated business or profession;]

(x) “Schedule” means the Schedule to this Act;

(y) “scheduled offence” means—

(i) the offences specified under Part A of the Schedule; or

⁶[(ii) the offences specified under Part B of the Schedule if the total value involved in such offences is ⁷[one crore rupees] or more; or

1. Ins. by Act 2 of 2013, s. 2 (w.e.f. 15-2-2013).

2. Subs. by Act 23 of 2019, s. 192, for sub-clause (ii) (w.e.f. 1-8-2019).

3. Ins. by Act 20 of 2015, s. 145 (w.e.f. 14-5-2015).

4. Ins. by Act 13 of 2018, s. 208 (w.e.f. 19-4-2018).

5. Ins. by Act 23 of 2019, s. 192 (w.e.f. 1-8-2019).

6. Subs. by Act 21 of 2009, s. 2, for sub-clause (ii) (w.e.f. 1-6-2009).

7. Subs. by Act 20 of 2015, s. 145, for “thirty lakh rupees” (w.e.f. 14-5-2015).

(iii) the offences specified under Part C of the Schedule.]

(z) “Special Court” means a Court of Session designated as Special Court under sub-section (1) of section 43;

(za) “transfer” includes sale, purchase, mortgage, pledge, gift, loan or any other form of transfer of right, title, possession or lien;

(zb) “value” means the fair market value of any property on the date of its acquisition by any person, or if such date cannot be determined, the date on which such property is possessed by such person.

(2) Any reference, in this Act or the Schedule, to any enactment or any provision thereof shall, in relation to an area in which such enactment or such provision is not in force, be construed as a reference to the corresponding law or the relevant provisions of the corresponding law, if any, in force in that area.

CHAPTER II

OFFENCE OF MONEY-LAUNDERING

3. Offence of money-laundering.—Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the ¹[proceeds of crime including its concealment, possession, acquisition or use and projecting or claiming] it as untainted property shall be guilty of offence of money-laundering.

²[*Explanation.*—For the removal of doubts, it is hereby clarified that,—

(i) a person shall be guilty of offence of money-laundering if such person is found to have directly or indirectly attempted to indulge or knowingly assisted or knowingly is a party or is actually involved in one or more of the following processes or activities connected with proceeds of crime, namely:—

- (a) concealment; or
- (b) possession; or
- (c) acquisition; or
- (d) use; or
- (e) projecting as untainted property; or
- (f) claiming as untainted property,

in any manner whatsoever;

(ii) the process or activity connected with proceeds of crime is a continuing activity and continues till such time a person is directly or indirectly enjoying the proceeds of crime by its concealment or possession or acquisition or use or projecting it as untainted property or claiming it as untainted property in any manner whatsoever.]

4. Punishment for money-laundering.—Whoever commits the offence of money-laundering shall be punishable with rigorous imprisonment for a term which shall not be less than three years but which may extend to seven years and shall also be liable to fine ^{3***}:

Provided that where the proceeds of crime involved in money-laundering relates to any offence specified under paragraph 2 of Part A of the Schedule, the provisions of this section shall have effect as if for the words “which may extend to seven years”, the words “which may extend to ten years” had been substituted.

CHAPTER III

ATTACHMENT, ADJUDICATION AND CONFISCATION

5. Attachment of property involved in money-laundering.—⁴[(1)Where the Director or any other officer not below the rank of Deputy Director authorised by the Director for the purposes of this

1. Subs. by Act 2 of 2013, s. 3, for “proceeds of crime and projecting” (w.e.f. 15-2-2013).

2. Ins. by Act 23 of 2019, s. 193 (w.e.f. 1-8-2019).

3. The words “which may extend to five lakh rupees” omitted by Act 2 of 2013, s. 4 (w.e.f. 15-2-2013).

4. Subs. by s. 5, *ibid.*, for sub-section (1) (w.e.f. 15-2-2013).

section, has reason to believe (the reason for such belief to be recorded in writing), on the basis of material in his possession, that—

(a) any person is in possession of any proceeds of crime; and

(b) such proceeds of crime are likely to be concealed, transferred or dealt with in any manner which may result in frustrating any proceedings relating to confiscation of such proceeds of crime under this Chapter,

he may, by order in writing, provisionally attach such property for a period not exceeding one hundred and eighty days from the date of the order, in such manner as may be prescribed:

Provided that no such order of attachment shall be made unless, in relation to the scheduled offence, a report has been forwarded to a Magistrate under section 173 of the Code of Criminal Procedure, 1973 (2 of 1974), or a complaint has been filed by a person authorised to investigate the offence mentioned in that Schedule, before a Magistrate or court for taking cognizance of the scheduled offence, as the case may be, or a similar report or complaint has been made or filed under the corresponding law of any other country:

Provided further that, notwithstanding anything contained in ¹[first proviso], any property of any person may be attached under this section if the Director or any other officer not below the rank of Deputy Director authorised by him for the purposes of this section has reason to believe (the reasons for such belief to be recorded in writing), on the basis of material in his possession, that if such property involved in money-laundering is not attached immediately under this Chapter, the non-attachment of the property is likely to frustrate any proceeding under this Act.]

²[Provided also that for the purposes of computing the period of one hundred and eighty days, the period during which the proceedings under this section is stayed by the High Court, shall be excluded and a further period not exceeding thirty days from the date of order of vacation of such stay order shall be counted.];

(2) The Director, or any other officer not below the rank of Deputy Director, shall, immediately after attachment under sub-section (1), forward a copy of the order, along with the material in his possession, referred to in that sub-section, to the Adjudicating Authority, in a sealed envelope, in the manner as may be prescribed and such Adjudicating Authority shall keep such order and material for such period as may be prescribed.

(3) Every order of attachment made under sub-section (1) shall cease to have effect after the expiry of the period specified in that sub-section or on the date of an order made under ³[sub-section (3)] of section 8, whichever is earlier.

(4) Nothing in this section shall prevent the person interested in the enjoyment of the immovable property attached under sub-section (1) from such enjoyment.

Explanation.—For the purposes of this sub-section, “person interested”, in relation to any immovable property, includes all persons claiming or entitled to claim any interest in the property.

(5) The Director or any other officer who provisionally attaches any property under sub-section (1) shall, within a period of thirty days from such attachment, file a complaint stating the facts of such attachment before the Adjudicating Authority.

6. Adjudicating Authorities, composition, powers, etc.—(1) The Central Government shall, by notification, appoint ⁴[an Adjudicating Authority] to exercise jurisdiction, powers and authority conferred by or under this Act.

(2) An Adjudicating Authority shall consist of a Chairperson and two other Members:

1. Subs. by Act 20 of 2015, s. 146, for “clause (b)” (w.e.f. 14-5-2015).

2. Ins. by Act 13 of 2018, s. 208 (w.e.f. 19-4-2018).

3. Subs. by s. 208, *ibid.*, for “sub-section (2)” (w.e.f. 19-4-2018).

4. Subs. by Act 21 of 2009, s. 4, for “one or more Adjudicating Authorities” (w.e.f. 1-6-2009).

Provided that one Member each shall be a person having experience in the field of law, administration, finance or accountancy.

(3) A person shall, however, not be qualified for appointment as Member of an Adjudicating Authority,—

(a) in the field of law, unless he—

(i) is qualified for appointment as District Judge; or

(ii) has been a member of the Indian Legal Service and has held a post in Grade I of that service;

(b) in the field of finance, accountancy or administration unless he possesses such qualifications, as may be prescribed.

(4) The Central Government shall appoint a Member to be the Chairperson of the Adjudicating Authority.

(5) Subject to the provisions of this Act,—

(a) the jurisdiction of the Adjudicating Authority may be exercised by Benches thereof;

(b) a Bench may be constituted by the Chairperson of the Adjudicating Authority with one or two Members as the Chairperson of the Adjudicating Authority may deem fit;

(c) the Benches of the Adjudicating Authority shall ordinarily sit at New Delhi and at such other places as the Central Government may, in consultation with the Chairperson, by notification, specify;

(d) the Central Government shall, by notification, specify the areas in relation to which each Bench of the Adjudicating Authority may exercise jurisdiction.

(6) Notwithstanding anything contained in sub-section (5), the Chairperson may transfer a Member from one Bench to another Bench.

(7) If at any stage of the hearing of any case or matter it appears to the Chairperson or a Member that the case or matter is of such a nature that it ought to be heard by a Bench consisting of two Members, the case or matter may be transferred by the Chairperson or, as the case may be, referred to him for transfer, to such Bench as the Chairperson may deem fit.

(8) The Chairperson and every Member shall hold office as such for a term of five years from the date on which he enters upon his office:

Provided that no Chairperson or other Member shall hold office as such after he has attained the age of ¹[sixty-five] years.

(9) The salary and allowances payable to and the other terms and conditions of service of the Member shall be such as may be prescribed:

Provided that neither the salary and allowances nor the other terms and conditions of service of the Member shall be varied to his disadvantage after appointment.

(10) If, for reasons other than temporary absence, any vacancy occurs in the office of the Chairperson or any other Member, then, the Central Government shall appoint another person in accordance with the provisions of this Act to fill the vacancy and the proceedings may be continued before the Adjudicating Authority from the stage at which the vacancy is filled.

(11) The Chairperson or any other Member may, by notice in writing under his hand addressed to the Central Government, resign his office:

1. Subs. by Act 21 of 2009, s. 4, for “sixty-two” (w.e.f. 1-6-2009).

Provided that the Chairperson or any other Member shall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as his successor enters upon his office or until the expiry of his term of office, whichever is the earliest.

(12) The Chairperson or any other Member shall not be removed from his office except by an order made by the Central Government after giving necessary opportunity of hearing.

(13) In the event of the occurrence of any vacancy in the office of the Chairperson by reason of his death, resignation or otherwise, the senior-most Member shall act as the Chairperson of the Adjudicating Authority until the date on which a new Chairperson, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office.

(14) When the Chairperson of the Adjudicating Authority is unable to discharge his functions owing to absence, illness or any other cause, the senior-most Member shall discharge the functions of the Chairperson of the Adjudicating Authority until the date on which the Chairperson of the Adjudicating Authority resumes his duties.

(15) The Adjudicating Authority shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908 (5 of 1908), but shall be guided by the principles of natural justice and, subject to the other provisions of this Act, the Adjudicating Authority shall have powers to regulate its own procedure.

7. Staff of Adjudicating Authorities.—(1) The Central Government shall provide each Adjudicating Authority with such officers and employees as that Government may think fit.

(2) The officers and employees of the Adjudicating Authority shall discharge their functions under the general superintendence of the Chairperson of the Adjudicating Authority.

(3) The salaries and allowances and other conditions of service of the officers and employees of the Adjudicating Authority shall be such as may be prescribed.

8. Adjudication.—(1) On receipt of a complaint under sub-section (5) of section 5, or applications made under sub-section (4) of section 17 or under sub-section (10) of section 18, if the Adjudicating Authority has reason to believe that any person has committed an ¹[offence under section 3 or is in possession of proceeds of crime], it may serve a notice of not less than thirty days on such person calling upon him to indicate the sources of his income, earning or assets, out of which or by means of which he has acquired the property attached under sub-section (1) of section 5, or, seized ²[or frozen] under section 17 or section 18, the evidence on which he relies and other relevant information and particulars, and to show cause why all or any of such properties should not be declared to be the properties involved in money-laundering and confiscated by the Central Government:

Provided that where a notice under this sub-section specifies any property as being held by a person on behalf of any other person, a copy of such notice shall also be served upon such other person:

Provided further that where such property is held jointly by more than one person, such notice shall be served to all persons holding such property.

(2) The Adjudicating Authority shall, after—

(a) considering the reply, if any, to the notice issued under sub-section (1);

(b) hearing the aggrieved person and the Director or any other officer authorised by him in this behalf;

and

(c) taking into account all relevant materials placed on record before him,

by an order, record a finding whether all or any of the properties referred to in the notice issued under sub-section (1) are involved in money-laundering:

Provided that if the property is claimed by a person, other than a person to whom the notice had been issued, such person shall also be given an opportunity of being heard to prove that the property is not involved in money-laundering.

(3) Where the Adjudicating Authority decides under sub-section (2) that any property is involved in money-laundering, he shall, by an order in writing, confirm the attachment of the property made under sub-section (1) of section 5 or retention of property or ³[record seized or frozen under section 17 or section 18 and

1. Subs. by Act 21 of 2009, s. 5, for “offence under section 3” (w.e.f. 1-6-2009).

2. Ins. by Act 2 of 2013, s. 6 (w.e.f. 15-2-2013).

3. Subs. by s. 6, *ibid.*, for certain words and figures (w.e.f. 15-2-2013).

record a finding to that effect, whereupon such attachment or retention or freezing of the seized or frozen property] or record shall—

(a) continue during ¹[investigation for a period not exceeding ²[three hundred and sixty-five days] or] the pendency of the proceedings relating to any ³[offence under this Act before a court or under the corresponding law of any other country, before the competent court of criminal jurisdiction outside India, as the case may be; and]

⁴[(b) become final after an order of confiscation is passed under sub-section (5) or sub-section (7) of section 8 or section 58B or sub-section (2A) of section 60 by the ⁵[Special Court];]

⁶[*Explanation.*—For the purposes of computing the period of three hundred and sixty-five days under clause (a), the period during which the investigation is stayed by any court under any law for the time being in force shall be excluded.]

(4) Where the provisional order of attachment made under sub-section (1) of section 5 has been confirmed under sub-section (3), the Director or any other officer authorised by him in this behalf shall forthwith take the ⁷[possession of the property attached under section 5 or frozen under sub-section (1A) of section 17, in such manner as may be prescribed:

Provided that if it is not practicable to take possession of a property frozen under sub-section (1A) of section 17, the order of confiscation shall have the same effect as if the property had been taken possession of.]

⁸[(5) Where on conclusion of a trial of an offence under this Act, the Special Court finds that the offence of money-laundering has been committed, it shall order that such property involved in the money-laundering or which has been used for commission of the offence of money-laundering shall stand confiscated to the Central Government.

(6) Where on conclusion of a trial under this Act, the Special Court finds that the offence of money-laundering has not taken place or the property is not involved in money-laundering, it shall order release of such property to the person entitled to receive it.

(7) Where the trial under this Act cannot be conducted by reason of the death of the accused or the accused being declared a proclaimed offender or for any other reason or having commenced but could not be concluded, the Special Court shall, on an application moved by the Director or a person claiming to be entitled to possession of a property in respect of which an order has been passed under sub-section (3) of section 8, pass appropriate orders regarding confiscation or release of the property, as the case may be, involved in the offence of money-laundering after having regard to the material before it.]

⁹[(8) Where a property stands confiscated to the Central Government under sub-section (5), the Special Court, in such manner as may be prescribed, may also direct the Central Government to restore such confiscated property or part thereof of a claimant with a legitimate interest in the property, who may have suffered a quantifiable loss as a result of the offence of money laundering:

Provided that the Special Court shall not consider such claim unless it is satisfied that the claimant has acted in good faith and has suffered the loss despite having taken all reasonable precautions and is not involved in the offence of money laundering:]

¹[Provided further that the Special Court may, if it thinks fit, consider the claim of the claimant for the purposes of restoration of such properties during the trial of the case in such manner as may be prescribed.]

9. Vesting of property in Central Government.—Where an order of confiscation has been made under ¹⁰[sub-section (5) or sub-section (7) of section 8 or section 58B or sub-section (2A) of section 60] in

1. Ins. by Act 13 of 2018, s. 208 (w.e.f. 19-4-2018).

2. Subs. by Act 7 of 2019, s. 22, for “ninety days” (w.e.f. 20-3-2019).

3. Subs. by Act 2 of 2013, s. 6, for “scheduled offence before a court; and” (w.e.f. 15-2-2013).

4. Subs. by s. 6, *ibid.*, for clause (b) (w.e.f. 15-2-2013).

5. Subs. by Act 20 of 2015, s. 147, for “Adjudicating Authority” (w.e.f. 14-5-2015).

6. Ins. by Act 7 of 2019, s. 22 (w.e.f. 20-3-2019).

7. Subs. by Act 2 of 2013, s. 6, for “possession of the attached property” (w.e.f. 15-2-2013).

8. Subs. by s. 6, *ibid.*, for sub-sections (5) and (6) (w.e.f. 15-2-2013).

9. Ins. by Act 20 of 2015, s. 147 (w.e.f. 14-5-2015).

10. Subs. by Act 2 of 2013, s. 7, for “sub-section (6) of section 8” (w.e.f. 15-2-2013).

respect of any property of a person, all the rights and title in such property shall vest absolutely in the Central Government free from all encumbrances:

Provided that where the ¹[Special Court or the Adjudicating Authority, as the case may be,] after giving an opportunity of being heard to any other person interested in the property attached under this Chapter, or seized ²[or frozen] under Chapter V, is of the opinion that any encumbrance on the property or or lease-hold interest has been created with a view to defeat the provisions of this Chapter, it may, by order, declare such encumbrance or lease-hold interest to be void and thereupon the aforesaid property shall vest in the Central Government free from such encumbrances or lease-hold interest:

Provided further that nothing in this section shall operate to discharge any person from any liability in respect of such encumbrances which may be enforced against such person by a suit for damages.

10. Management of properties confiscated under this Chapter.—(1) The Central Government may, by order published in the Official Gazette, appoint as many of its officers (not below the rank of a Joint Secretary to the Government of India) as it thinks fit to perform the functions of an Administrator.

(2) The Administrator appointed under sub-section (1) shall receive and manage the property in relation to which an order has been made under ³[sub-section (5) or sub-section (6) or sub-section (7) of section 8 or section 58B or sub-section (2A) of section 60] in such manner and subject to such conditions as may be prescribed.

(3) The Administrator shall also take such measures, as the Central Government may direct, to dispose of the property which is vested in the Central Government under section 9.

11. Power regarding summons, production of documents and evidence, etc.—(1) The Adjudicating Authority shall, for the purposes of this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908) while trying a suit in respect of the following matters, namely:—

- (a) discovery and inspection;
- (b) enforcing the attendance of any person, including any officer of a banking company or a financial institution or a company, and examining him on oath;
- (c) compelling the production of records;
- (d) receiving evidence on affidavits;
- (e) issuing commissions for examination of witnesses and documents; and
- (f) any other matter which may be prescribed.

(2) All the persons so summoned shall be bound to attend in person or through authorised agents, as the Adjudicating Authority may direct, and shall be bound to state the truth upon any subject respecting which they are examined or make statements, and produce such documents as may be required.

(3) Every proceeding under this section shall be deemed to be a judicial proceeding within the meaning of section 193 and section 228 of the Indian Penal Code (45 of 1860).

⁴[11A. Verification of Identity by Reporting Entity.—(1) Every Reporting Entity shall verify the identity of its clients and the beneficial owner, by—

- (a) authentication under the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (18 of 2016) if the reporting entity is a banking company; or

1. Subs. by Act 2 of 2013, s. 7, for “Adjudicating Authority” (w.e.f. 15-2-2013).

2. Ins. by s.7, *ibid.* (w.e.f. 15-2-2013).

3. Subs. by s. 8, *ibid.*, for “sub-section (6) of section 8” (w.e.f. 15-2-2013).

4. Ins. by Act 14 of 2019, s. 27 (w.e.f. 25-07-2019).

(b) offline verification under the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (18 of 2016); or

(c) use of passport issued under section 4 of the Passports Act, 1967 (15 of 1967); or

(d) use of any other officially valid document or modes of identification as may be notified by the Central Government in this behalf:

Provided that the Central Government may, if satisfied that a reporting entity other than banking company, complies with such the standards of privacy and security under the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (18 of 2016), and it is necessary and expedient to do so, by notification, permit such entity to perform authentication under clause (a):

Provided further that no notification under the first proviso shall be issued without consultation with the Unique Identification Authority of India established under sub-section (1) of section 11 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (18 of 2016) and the appropriate regulator.

(2) If any reporting entity performs authentication under clause (a) of sub-section (1), to verify the identity of its client or the beneficial owner it shall make the other modes of identification under clauses (b), (c) and (d) of sub-section (1) also available to such client or the beneficial owner.

(3) The use of modes of identification under sub-section (1) shall be a voluntary choice of every client or beneficial owner who is sought to be identified and no client or beneficial owner shall be denied services for not having an Aadhaar number.

(4) If, for identification of a client or beneficial owner, authentication or offline verification under clause (a) or clause (b) of sub-section (1) is used, neither his core biometric information nor his Aadhaar number shall be stored.

(5) Nothing in this section shall prevent the Central Government from notifying additional safeguards on any reporting entity in respect of verification of the identity of its client or beneficial owner.

Explanation.—The expressions “Aadhaar number” and “core biometric information” shall have the same meanings as are respectively assigned to them in clauses (a) and (j) of section 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (18 of 2016).]

CHAPTER IV

OBLIGATIONS OF BANKING COMPANIES, FINANCIAL INSTITUTIONS AND INTERMEDIARIES

¹[**12. Reporting entity to maintain records.**—(1) Every reporting entity shall—

(a) maintain a record of all transactions, including information relating to transactions covered under clause (b), in such manner as to enable it to reconstruct individual transactions;

(b) furnish to the Director within such time as may be prescribed, information relating to such transactions, whether attempted or executed, the nature and value of which may be prescribed;

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(e) maintain record of documents evidencing identity of its clients and beneficial owners as well as account files and business correspondence relating to its clients.

(2) Every information maintained, furnished or verified, save as otherwise provided under any law for the time being in force, shall be kept confidential.

(3) The records referred to in clause (a) of sub-section (1) shall be maintained for a period of five years from the date of transaction between a client and the reporting entity.

1. Subs. by Act 2 of 2013, s. 9, for section 12 (w.e.f. 15-2-2013).

2. Clauses (c) and (d) omitted by Act 14 of 2019, s. 28 (w.e.f. 25-07-2019).

(4) The records referred to in clause (e) of sub-section (1) shall be maintained for a period of five years after the business relationship between a client and the reporting entity has ended or the account has been closed, whichever is later.

(5) The Central Government may, by notification, exempt any reporting entity or class of reporting entities from any obligation under this Chapter.]

¹[**12A. Access to information.**—(1) The Director may call for from any reporting entity any of the records referred to in ²[section 11A, sub-section (1) of section 12, sub-section (1) of section 12AA] and any additional information as he considers necessary for the purposes of this Act.

(2) Every reporting entity shall furnish to the Director such information as may be required by him under sub-section (1) within such time and in such manner as he may specify.

(3) Save as otherwise provided under any law for the time being in force, every information sought by the Director under sub-section (1), shall be kept confidential.]

³[**12AA. Enhanced due diligence.**—(1) Every reporting entity shall, prior to the commencement of each specified transaction,—

(a) verify the identity of the clients undertaking such specified transaction by authentication under the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (18 of 2016) in such manner and subject to such conditions, as may be prescribed:

Provided that where verification requires authentication of a person who is not entitled to obtain an Aadhaar number under the provisions of the said Act, verification to authenticate the identity of the client undertaking such specified transaction shall be carried out by such other process or mode, as may be prescribed;

(b) take additional steps to examine the ownership and financial position, including sources of funds of the client, in such manner as may be prescribed;

(c) take additional steps as may be prescribed to record the purpose behind conducting the specified transaction and the intended nature of the relationship between the transaction parties.

(2) Where the client fails to fulfill the conditions laid down under sub-section (1), the reporting entity shall not allow the specified transaction to be carried out.

(3) Where any specified transaction or series of specified transactions undertaken by a client is considered suspicious or likely to involve proceeds of crime, the reporting entity shall increase the future monitoring of the business relationship with the client, including greater scrutiny or transactions in such manner as may be prescribed.

(4) The information obtained while applying the enhanced due diligence measures under sub-section (1) shall be maintained for a period of five years from the date of transaction between a client and the reporting entity.

Explanation.—For the purposes of this section, "specified transaction" means—

- (a) any withdrawal or deposit in cash, exceeding such amount;
- (b) any transaction in foreign exchange, exceeding such amount;
- (c) any transaction in any high value imports or remittances;

1. Ins. by Act 2 of 2013, s. 10 (w.e.f. 15-2-2013).

2. Subs. by Act 23 of 2019, s. 194, for "sub-section (1) of section 12" (w.e.f. 1-8-2019).

3. Ins. s. 195, *ibid.* (w.e.f. 1-8-2019).

(d) such other transaction or class of transactions, in the interest of revenue or where there is a high risk or money-laundering or terrorist financing, as may be prescribed.]

13. Powers of Director to impose fine.—(1) The Director may, either of his own motion or on an application made by any authority, officer or person, ¹[make such inquiry or cause such inquiry to be made, as he thinks fit to be necessary, with regard to the obligations of the reporting entity, under this Chapter].

²[(1A) If at any stage of inquiry or any other proceedings before him, the Director having regard to the nature and complexity of the case, is of the opinion that it is necessary to do so, he may direct the concerned reporting entity to get its records, as may be specified, audited by an accountant from amongst a panel of accountants, maintained by the Central Government for this purpose.

(1B) The expenses of, and incidental to, any audit under sub-section (1A) shall be borne by the Central Government.]

³[(2) If the Director, in the course of any inquiry, finds that a reporting entity or its designated director on the Board or any of its employees has failed to comply with the obligations under this Chapter, then, without prejudice to any other action that may be taken under any other provisions of this Act, he may—

(a) issue a warning in writing; or

(b) direct such reporting entity or its designated director on the Board or any of its employees, to comply with specific instructions; or

(c) direct such reporting entity or its designated director on the Board or any of its employees, to send reports at such interval as may be prescribed on the measures it is taking; or

(d) by an order, impose a monetary penalty on such reporting entity or its designated director on the Board or any of its employees, which shall not be less than ten thousand rupees but may extend to one lakh rupees for each failure.]

(3) The Director shall forward a copy of the order passed under sub-section (2) to every banking company, financial institution or intermediary or person who is a party to the proceedings under that sub-section.

⁴[*Explanation.*—For the purpose of this section, “accountant” shall mean a chartered accountant within the meaning of the Chartered Accountants Act, 1949 (38 of 1949).]

⁵[14. No civil or criminal proceedings against reporting entity, its directors and employees in certain cases.—Save as otherwise provided in section 13, the reporting entity, its directors and employees shall not be liable to any civil or criminal proceedings against them for furnishing information under clause (b) of sub-section (1) of section 12.]

⁶[15. Procedure and manner of furnishing information by reporting entities.— The Central Government may, in consultation with the Reserve Bank of India, prescribe the procedure and the manner of maintaining and furnishing information by a reporting entity under ⁷[section 11A, sub-section (1) of

1. Subs. by Act 2 of 2013, s. 11, for certain words, brackets and figures (w.e.f. 15-2-2013).

2. Ins. by s. 11, *ibid.* (w.e.f. 15-2-2013).

3. Subs. by s. 11, *ibid.*, for sub-section (2) (w.e.f. 15-2-2013).

4. The *Explanation* inserted by Act 2 of 2013, s. 11 (w.e.f. 15-2-2013).

5. Subs. by s. 12, *ibid.*, for section 14 (w.e.f. 15-2-2013).

6. Subs. by s. 13, *ibid.*, for section 15 (w.e.f. 15-2-2013).

7. Subs. by Act 23 of 2019, s. 196, for “sub-section (1) of section 12” (w.e.f. 1-8-2019).

section 12 and sub-section (1) of section 12AA] for the purpose of implementing the provisions of this Act.]

CHAPTER V

SUMMONS, SEARCHES AND SEIZURES, ETC.

16. Power of survey.—(1) Notwithstanding anything contained in any other provisions of this Act, where an authority, on the basis of material in his possession, has reason to believe (the reasons for such belief to be recorded in writing) that an offence under section 3 has been committed, he may enter any place—

(i) within the limits of the area assigned to him; or

(ii) in respect of which he is authorised for the purposes of this section by such other authority, who is assigned the area within which such place is situated,

at which any act constituting the commission of such offence is carried on, and may require any proprietor, employee or any other person who may at that time and place be attending in any manner to, or helping in, such act so as to,—

(i) afford him the necessary facility to inspect such records as he may require and which may be available at such place;

(ii) afford him the necessary facility to check or verify the proceeds of crime or any transaction related to proceeds of crime which may be found therein; and

(iii) furnish such information as he may require as to any matter which may be useful for, or relevant to, any proceedings under this Act.

Explanation—For the purposes of this sub-section, a place, where an act which constitutes the commission of the offence is carried on, shall also include any other place, whether any activity is carried on therein or not, in which the person carrying on such activity states that any of his records or any part of his property relating to such act are or is kept.

(2) The authority referred to in sub-section (1) shall, after entering any place referred to in that sub-section immediately after completion of survey, forward a copy of the reasons so recorded along with material in his possession, referred to in that sub-section, to the Adjudicating Authority in a sealed envelope, in the manner as may be prescribed and such Adjudicating Authority shall keep such reasons and material for such period as may be prescribed.

(3) An authority acting under this section may—

(i) place marks of identification on the records inspected by him and make or cause to be made extracts or copies there from,

(ii) make an inventory of any property checked or verified by him, and

(iii) record the statement of any person present in the place which may be useful for, or relevant to, any proceeding under this Act.

17. Search and seizure.—(1) Where ¹[the Director or any other officer not below the rank of Deputy Director authorised by him for the purposes of this section,] on the basis of information in his possession, has reason to believe (the reason for such belief to be recorded in writing) that any person—

(i) has committed any act which constitutes money-laundering, or

(ii) is in possession of any proceeds of crime involved in money-laundering, or

1. Subs. by Act 21 of 2009, s. 7, for “the Director” (w.e.f. 1-6-2009).

(iii) is in possession of any records relating to money-laundering,¹[or]

¹[(iv) is in possession of any property related to crime,]

then, subject to the rules made in this behalf, he may authorise any officer subordinate to him to—

(a) enter and search any building, place, vessel, vehicle or aircraft where he has reason to suspect that such records or proceeds of crime are kept;

(b) break open the lock of any door, box, locker, safe, almirah or other receptacle for exercising the powers conferred by clause (a) where the keys thereof are not available;

(c) seize any record or property found as a result of such search;

(d) place marks of identification on such record or ¹[property, if required or] make or cause to be made extracts or copies therefrom;

(e) make a note or an inventory of such record or property;

(f) examine on oath any person, who is found to be in possession or control of any record or property, in respect of all matters relevant for the purposes of any investigation under this Act:

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³[(1A) Where it is not practicable to seize such record or property, the officer authorised under sub-section (1), may make an order to freeze such property whereupon the property shall not be transferred or otherwise dealt with, except with the prior permission of the officer making such order, and a copy of such order shall be served on the person concerned:

Provided that if, at any time before its confiscation under sub-section (5) or sub-section (7) of section 8 or section 58B or sub-section (2A) of section 60, it becomes practical to seize a frozen property, the officer authorised under sub-section (1) may seize such property.]

(2) The authority, who has been authorised under sub-section (1) shall, immediately after search and seizure ³[or upon issuance of a freezing order], forward a copy of the reasons so recorded along with material in his possession, referred to in that sub-section, to the Adjudicating Authority in a sealed envelope, in the manner, as may be prescribed and such Adjudicating Authority shall keep such reasons and material for such period, as may be prescribed.

(3) Where an authority, upon information obtained during survey under section 16, is satisfied that any evidence shall be or is likely to be concealed or tampered with, he may, for reasons to be recorded in writing, enter and search the building or place where such evidence is located and seize that evidence:

Provided that no authorisation referred to in sub-section (1) shall be required for search under this sub-section.

⁴[(4) The authority seizing any record or property under sub-section (1) or freezing any record or property under sub-section (1A) shall, within a period of thirty days from such seizure or freezing, as the case may be, file an application, requesting for retention of such record or property seized under sub-section (1) or for continuation of the order of freezing served under sub-section (1A), before the Adjudicating Authority.]

1. Ins. by Act 2 of 2013, s. 14 (w.e.f. 15-2-2013).

2. The Proviso omitted by Act 23 of 2019, s. 197 (w.e.f. 1-8-2019).

3. Ins. by Act 2 of 2013, s. 14 (w.e.f. 15-2-2013).

4. Subs. by s. 14, *ibid.*, for sub-section (4) (w.e.f. 15-2-2013).

(2) The Director, Deputy Director, Assistant Director or any other officer shall, immediately after arrest of such person under sub-section (1), forward a copy of the order along with the material in his possession, referred to in that sub-section, to the Adjudicating Authority in a sealed envelope, in the manner, as may be prescribed and such Adjudicating Authority shall keep such order and material for such period, as may be prescribed.

(3) Every person arrested under sub-section (1) shall, within twenty-four hours, be taken to a ¹[Special Court or] Judicial Magistrate or a Metropolitan Magistrate, as the case may be, having jurisdiction:

Provided that the period of twenty-four hours shall exclude the time necessary for the journey from the place of arrest to the ²[Special Court or] Magistrate's Court.

²**[20.Retention of property.]—**(1) Where any property has been seized under section 17 or section 18 or frozen under sub-section (1A) of section 17 and the officer authorised by the Director in this behalf has, on the basis of material in his possession, reason to believe (the reason for such belief to be recorded by him in writing) that such property is required to be retained for the purposes of adjudication under section 8, such property may, if seized, be retained or if frozen, may continue to remain frozen, for a period not exceeding one hundred and eighty days from the day on which such property was seized or frozen, as the case may be.

(2) The officer authorised by the Director shall, immediately after he has passed an order for retention or continuation of freezing of the property for purposes of adjudication under section 8, forward a copy of the order along with the material in his possession, referred to in sub-section (1), to the Adjudicating Authority, in a sealed envelope, in the manner as may be prescribed and such Adjudicating Authority shall keep such order and material for such period as may be prescribed.

(3) On the expiry of the period specified in sub-section (1), the property shall be returned to the person from whom such property was seized or whose property was ordered to be frozen unless the Adjudicating Authority permits retention or continuation of freezing of such property beyond the said period.

(4) The Adjudicating Authority, before authorising the retention or continuation of freezing of such property beyond the period specified in sub-section (1), shall satisfy himself that the property is *prima facie* involved in money-laundering and the property is required for the purposes of adjudication under section 8.

(5) After passing the order of confiscation under sub-section (5) or sub-section (7) of section 8, ³[Special Court], shall direct the release of all property other than the property involved in money-laundering to the person from whom such property was seized or the persons entitled to receive it.

(6) Where an order releasing the property has been made by the ⁴[Special Court] under sub-section (6) of section 8 or by the Adjudicating Authority under section 58B or sub-section (2A) of section 60, the Director or any officer authorised by him in this behalf may withhold the release of any such property for a period of ninety days from the date of ⁵[receipt of] such order, if he is of the opinion that such property is relevant for the appeal proceedings under this Act.

21. Retention of records.—(1) Where any records have been seized, under section 17 or section 18 or frozen under sub-section (1A) of section 17 and the Investigating Officer or any other officer authorised by the Director in this behalf has reason to believe that any of such records are required to be retained for any inquiry under this Act, such records may if seized, be retained or if frozen, may continue

1. Ins. by Act 13 of 2018, s. 208 (w.e.f. 19-4-2018).

2. Subs. by Act 2 of 2013, s.16, for sections 20 and 21 (w.e.f. 15-2-2013).

3. Subs. by Act 20 of 2015, s. 148, for "the Court or the Adjudicating Authority, as the case may be" (w.e.f. 14-5-2015).

4. Subs. by s. 148, *ibid.*, for "Court" (w.e.f. 14-5-2015).

5. Ins. by s. 148, *ibid.* (w.e.f. 14-5-2015).

to remain frozen, for a period not exceeding one hundred and eighty days from the day on which such records were seized or frozen, as the case may be.

(2) The person, from whom records seized or frozen, shall be entitled to obtain copies of records.

(3) On the expiry of the period specified under sub-section (1), the records shall be returned to the person from whom such records were seized or whose records were ordered to be frozen unless the Adjudicating Authority permits retention or continuation of freezing of such records beyond the said period.

(4) The Adjudicating Authority, before authorising the retention or continuation of freezing of such records beyond the period specified in sub-section (1), shall satisfy himself that the records are required for the purposes of adjudication under section 8.

(5) After passing of an order of confiscation ¹[or release under sub-section (5) or sub-section (6) or sub-section (7) of section 8 or section 58B or sub-section (2A) of section 60], the Adjudicating Authority shall direct the release of the records to the person from whom such records were seized.

(6) Where an order releasing the records has been made by the Court ²[Adjudicating Authority under sub-section (5) of section 21], the Director or any other officer authorised by him in this behalf may withhold the release of any such record for a period of ninety days from the date of ³[receipt of] such order, if he is of the opinion that such record is relevant for the appeal proceedings under this Act.]

22. Presumption as to records or property in certain cases.—(1) Where any records or property are or is found in the possession or control of any person in the course of a survey or a search⁴[or where any record or property is produced by any person or has been resumed or seized from the custody or control of any person or has been frozen under this Act or under any other law for the time being in force,] it shall be presumed that—

(i) such records or property belong or belongs to such person;

(ii) the contents of such records are true; and

(iii) the signature and every other part of such records which purport to be in the handwriting of any particular person or which may reasonably be assumed to have been signed by, or to be in the handwriting of, any particular person, are in that person's handwriting, and in the case of a record, stamped, executed or attested, that it was executed or attested by the person by whom it purports to have been so stamped, executed or attested.

(2) Where any records have been received from any place outside India, duly authenticated by such authority or person and in such manner as may be prescribed, in the course of proceedings under this Act, the Special Court, the Appellate Tribunal or the Adjudicating Authority, as the case may be, shall—

(a) presume, that the signature and every other part of such record which purports to be in the handwriting of any particular person or which the court may reasonably assume to have been signed by, or to be in the handwriting of, any particular person, is in that person's handwriting; and in the case of a record executed or attested, that it was executed or attested by the person by whom it purports to have been so executed or attested;

(b) admit the document in evidence, notwithstanding that it is not duly stamped, if such document is otherwise admissible in evidence.

23. Presumption in inter-connected transactions.—Where money-laundering involves two or more inter-connected transactions and one or more such transactions is or are proved to be involved in

1. Subs. by Act 20 of 2015, s. 149, for “under sub-section (5) or sub-section (7) of section 8” (w.e.f. 14-5-2015).

2. Subs. by s. 149, *ibid.*, for certain words, brackets, figures and letters (w.e.f. 14-5-2015).

3. Ins. by s. 149, *ibid.* (w.e.f. 14-5-2015).

4. Ins. by Act 2 of 2013, s.17 (w.e.f. 15-2-2013).

money-laundering, then for the purposes of adjudication or confiscation ¹[under section 8 or for the trial of the money-laundering offence, it shall unless otherwise proved to the satisfaction of the Adjudicating Authority or the Special Court], be presumed that the remaining transactions from part of such inter-connected transactions.

²[**24. Burden of proof.**—In any proceeding relating to proceeds of crime under this Act,—

(a) in the case of a person charged with the offence of money-laundering under section 3, the Authority or Court shall, unless the contrary is proved, presume that such proceeds of crime are involved in money-laundering; and

(b) in the case of any other person the Authority or Court, may presume that such proceeds of crime are involved in money-laundering.]

CHAPTER VI

APPELLATE TRIBUNAL

³[**25. Appellate Tribunal.**—The Appellate Tribunal constituted under sub-section (1) of section 12 of the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 (13 of 1976) shall be the Appellate Tribunal for hearing appeals against the orders of the Adjudicating Authority and the other authorities under this Act.]

26. Appeal to Appellate Tribunal.—(1) Save as otherwise provided in sub-section (3), the Director or any person aggrieved by an order made by the Adjudicating Authority under this Act, may prefer an appeal to the Appellate Tribunal.

(2) Any ⁴[reporting entity] aggrieved by any order of the Director made under sub-section (2) of section 13, may prefer an appeal to the Appellate Tribunal.

(3) Every appeal preferred under sub-section (1) or sub-section (2) shall be filed within a period of forty-five days from the date on which a copy of the order made by the Adjudicating Authority or Director is received and it shall be in such form and be accompanied by such fee as may be prescribed:

Provided that the Appellate Tribunal may, after giving an opportunity of being heard, entertain an appeal after the expiry of the said period of forty-five days if it is satisfied that there was sufficient cause for not filing it within that period.

(4) On receipt of an appeal under sub-section (1) or sub-section (2), the Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or setting aside the order appealed against.

(5) The Appellate Tribunal shall send a copy of every order made by it to the parties to the appeal and to the concerned Adjudicating Authority or the Director, as the case may be.

(6) The appeal filed before the Appellate Tribunal under sub-section (1) or sub-section (2) shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the appeal finally within six months from the date of filing of the appeal.

27. [*Compositions, etc., of Appellate Tribunal.*] Omitted by the Finance Act, 2016 (28 of 2016), s. 232 (w.e.f. 1-6-2016).

28. [*Qualifications for appointment.*] Omitted by s. 232, *ibid.* (w.e.f. 1-6-2016).

1. Subs. by Act 2 of 2013, s.18, for certain words and figure (w.e.f. 15-2-2013).

2. Subs. by s.19, *ibid.*, for section 24 (w.e.f. 15-2-2013).

3. Subs. by Act 28 of 2016, s. 232, for section 25 (w.e.f. 1-6-2016).

4. Subs. by Act 2 of 2013, s. 20, for “banking company, financial institution or intermediary” (w.e.f. 15-2-2013).

29. [Term of office.] Omitted by the Prevention of Money-laundering (Amendment) Act, 2005 (20 of 2005), s. 4 (w.e.f. 1-7-2005).

30. [Conditions of service.] Omitted by the Finance Act, 2016 (28 of 2016), s. 232 (w.e.f. 1-6-2016).

31. [Vacancies.] Omitted by s. 232, *ibid.* (w.e.f. 1-6-2016).

32. [Resignation and removal.] Omitted by s. 232, *ibid.* (w.e.f. 1-6-2016).

33. [Member to act as Chairperson in certain circumstances.] Omitted by s. 232, *ibid.* (w.e.f. 1-6-2016).

34. [Staff of Appellate Tribunal.] Omitted by s. 232, *ibid.* (w.e.f. 1-6-2016).

35. Procedure and powers of Appellate Tribunal.—(1) The Appellate Tribunal shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908 (5 of 1908), but shall be guided by the principles of natural justice and, subject to the other Provisions of this Act, the Appellate Tribunal shall have powers to regulate its own procedure.

(2) The Appellate Tribunal shall have, for the purposes of discharging its functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908) while trying a suit, in respect of the following matters, namely:—

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavits;

(d) subject to the provisions of sections 123 and 124 of the Indian Evidence Act, 1872 (1 of 1872), requisitioning any public record or document or copy of such record or document from any office;

(e) issuing commissions for the examination of witnesses or documents;

(f) reviewing its decisions;

(g) dismissing a representation for default or deciding it *ex parte*;

(h) setting aside any order of dismissal of any representation for default or any order passed by it *ex parte*; and

(i) any other matter, which may be, prescribed by the Central Government.

(3) An order made by the Appellate Tribunal under this Act shall be executable by the Appellate Tribunal as a decree of civil court and, for this purpose, the Appellate Tribunal shall have all the powers of a civil court.

(4) Notwithstanding anything contained in sub-section (3), the Appellate Tribunal may transmit any order made by it to a civil court having local jurisdiction and such civil court shall execute the order as if it were a decree made by that court.

(5) All proceedings before the Appellate Tribunal shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code (45 of 1860) and the Appellate Tribunal shall be deemed to be a civil court for the purposes of sections 345 and 346 of the Code of Criminal Procedure, 1973 (2 of 1974).

36. Distribution of business amongst Benches.—Where any Benches are constituted, the ¹[Chairman] may, from time to time, by notification, make provisions as to the distribution of the business

1. Subs. by Act 28 of 2016, s. 232, for “Chairperson” (w.e.f. 1-6-2016).

of the Appellate Tribunal amongst the Benches and also provide for the matters which may be dealt with by each Bench.

37. Power of ¹[Chairman] to transfer cases.—On the application of any of the parties and after notice to the parties, and after hearing such of them as he may desire to be heard, or on his own motion without such notice, the ¹[Chairman] may transfer any case pending before one Bench, for disposal, to any other Bench.

38. Decision to be by majority.—If the Members of a Bench consisting of two Members differ in opinion on any point, they shall state the point or points on which they differ, and make a reference to the ¹[Chairman] who shall either hear the point or points himself or refer the case for hearing on such point or points by ¹[third Member] of the Appellate Tribunal and such point or points shall be decided according to the opinion of the majority of the Members of the Appellate Tribunal who have heard the case, including those who first heard it.

39. Right of appellant to take assistance of authorised representative and of Government to appoint presenting officers.—(1) A person preferring an appeal to the Appellate Tribunal under this Act may either appear in person or take the assistance of an authorised representative of his choice to present his case before the Appellate Tribunal.

Explanation.—For the purposes of this sub-section, the expression “authorised representative” shall have the same meaning as assigned to it under sub-section (2) of section 288 of the Income-tax Act, 1961 (43 of 1961).

(2) The Central Government or the Director may authorise one or more authorised representatives or any of its officers to act as presenting officers and every person so authorised may present the case with respect to any appeal before the Appellate Tribunal.

40. Members, etc., to be public servants.—The ¹[Chairman], Members and other officers and employees of the Appellate Tribunal, the Adjudicating Authority, Director and the officers subordinate to him shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (45 of 1860).

41. Civil court not to have jurisdiction.—No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Director, an Adjudicating Authority or the Appellate Tribunal is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

42. Appeal to High Court.—Any person aggrieved by any decision or order of the Appellate Tribunal may file an appeal to the High Court within sixty days from the date of communication of the decision or order of the Appellate Tribunal to him on any question of law or fact arising out of such order:

Provided that the High Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period not exceeding sixty days.

Explanation.—For the purposes of this section, “High Court” means—

(i) the High Court within the jurisdiction of which the aggrieved party ordinarily resides or carries on business or personally works for gain; and

(ii) where the Central Government is the aggrieved party, the High Court within the jurisdiction of which the respondent, or in a case where there are more than one respondent, any of the respondents, ordinarily resides or carries on business or personally works for gain.

1. Subs. by Act 21 of 2009, s. 11, for “one or more of the other Members” (w.e.f. 1-6-2009).

CHAPTER VII

SPECIAL COURTS

43. Special Courts.—(1) The Central Government, in consultation with the Chief Justice of the High Court, shall, for trial of offence punishable under section 4, by notification, designate one or more Courts of Session as Special Court or Special Courts or such area or areas or for such case or class or group of cases as may be specified in the notification.

Explanation.—In this sub-section, “High Court” means the High Court of the State in which a Sessions Court designated as Special Court was functioning immediately before such designation.

(2) While trying an offence under this Act, a Special Court shall also try an offence, other than an offence referred to in sub-section (1), with which the accused may, under the Code of Criminal Procedure, 1973 (2 of 1974), be charged at the same trial.

44. Offences triable by Special Courts.—(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974),—

¹[(a) an offence punishable under section 4 and any scheduled offence connected to the offence under that section shall be triable by the Special Court constituted for the area in which the offence has been committed:

Provided that the Special Court, trying a scheduled offence before the commencement of this Act, shall continue to try such scheduled offence; or];

(b) a Special Court may, ²*** upon a complaint made by an authority authorised in this behalf under this Act take ³[cognizance of offence under section 3, without the accused being committed to it for trial];

⁴[Provided that after conclusion of investigation, if no offence of money-laundering is made out requiring filing of such complaint, the said authority shall submit a closure report before the Special Court; or]

⁵[(c) if the court which has taken cognizance of the scheduled offence is other than the Special Court which has taken cognizance of the complaint of the offence of money-laundering under sub-clause (b), it shall, on an application by the authority authorised to file a complaint under this Act, commit the case relating to the scheduled offence to the Special Court and the Special Court shall, on receipt of such case proceed to deal with it from the stage at which it is committed.

(d) a Special Court while trying the scheduled offence or the offence of money-laundering shall hold trial in accordance with the provisions of the Code of Criminal Procedure, 1973 (2 of 1974) as it applies to a trial before a Court of Session.]

⁴[*Explanation.*—For the removal of doubts, it is clarified that,—

(i) the jurisdiction of the Special Court while dealing with the offence under this Act, during investigation, enquiry or trial under this Act, shall not be dependent upon any orders passed in respect of the scheduled offence, and the trial of both sets of offences by the same court shall not be construed as joint trial;

1. Subs. by Act 2 of 2013, s. 21, for clause (a) (w.e.f. 15-2-2013).

2. The words “upon perusal of police report of the facts which constitute an offence under this Act or” omitted by Act 20 of 2005, s. 6 (w.e.f. 1-7-2005).

3. Subs. by Act 2 of 2013, s. 21, for “cognizance of the offence for which the accused is committed to it for trial” (w.e.f. 15-2-2013).

4. Ins. by Act 23 of 2019, s. 199 (w.e.f. 1-8-2019).

5. Ins. by Act 2 of 2013, s. 21 (w.e.f. 15-2-2013).

(ii) the complaint shall be deemed to include any subsequent complaint in respect of further investigation that may be conducted to bring any further evidence, oral or documentary, against any accused person involved in respect of the offence, for which complaint has already been filed, whether named in the original complaint or not.]

(2) Nothing contained in this section shall be deemed to affect the special powers of the High Court regarding bail under section 439 of the Code of Criminal Procedure, 1973 (2 of 1974) and the High Court may exercise such powers including the power under clause (b) of sub-section (1) of that section as if the reference to “Magistrate” in that section includes also a reference to a “Special Court” designated under section 43.

45. Offences to be cognizable and non-bailable.—(1) ¹[Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), no person accused of an offence ²[under this Act] shall be released on bail or on his own bond unless—]

(i) the Public Prosecutor has been given a opportunity to oppose the application for such release; and

(ii) where the Public Prosecutor opposes the application, the court is satisfied that there are reasonable grounds for believing that he is not guilty of such offence and that he is not likely to commit any offence while on bail:

Provided that a person, who, is under the age of sixteen years, or is a woman or is sick or infirm, ³[or is accused either on his own or along with other co-accused of money-laundering a sum of less than one crore rupees] may be released on bail, if the Special Court so directs:

Provided further that the Special Court shall not take cognizance of any offence punishable under section 4 except upon a complaint in writing made by—

(i) the Director; or

(ii) any officer of the Central Government or a State Government authorised in writing in this behalf by the Central Government by a general or special order made in this behalf by that Government.

⁴[(1A) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), or any other provision of this Act, no police officer shall investigate into an offence under this Act unless specifically authorised, by the Central Government by a general or special order, and, subject to such conditions as may be prescribed.]

(2) The limitation on granting of bail specified in ⁵*** sub-section (1) is in addition to the limitations under the Code of Criminal Procedure, 1973 (2 of 1974) or any other law for the time being in force on granting of bail.

⁶[*Explanation.*—For the removal of doubts, it is clarified that the expression "Offences to be cognizable and non-bailable" shall mean and shall be deemed to have always meant that all offences under this Act shall be cognizable offences and non-bailable offences notwithstanding anything to the contrary contained in the Code of Criminal Procedure, 1973 (2 of 1974), and accordingly the officers authorised under this Act are empowered to arrest an accused without warrant, subject to the fulfillment of conditions under section 19 and subject to the conditions enshrined under this section.]

1. Subs. by Act 20 of 2005, s. 7, for certain words, figures, brackets and letters (w.e.f. 1-7-2005).

2. Subs. by Act 13 of 2018, s. 208, for “punishable for a term of imprisonment of more than three years under Part A of the Schedule” (w.e.f. 19-4-2018).

3. Ins. by s. 208, *ibid.*, (w.e.f. 19-4-2018).

4. Ins. by Act 20 of 2005, s. 7 (w.e.f. 1-7-2005).

5. The words, brackets and letter “clause (b) of” omitted by s. 7, *ibid.* (w.e.f. 1-7-2005).

6. The *Explanation* ins. by Act 23 of 2019, s. 200 (w.e.f. 1-8-2019).

46. Application of Code of Criminal Procedure, 1973 to proceedings before Special Court.—(1) Save as otherwise provided in this Act, the provisions of the Code of Criminal Procedure, 1973 (2 of 1974) (including the provisions as to bails or bonds), shall apply to the proceedings before a Special Court and for the purposes of the said provisions, the Special Court shall be deemed to be a Court of Session and the persons conducting the prosecution before the Special Court, shall be deemed to be a Public Prosecutor:

Provided that the Central Government may also appoint for any case or class or group of cases a Special Public Prosecutor.

(2) A person shall not be qualified to be appointed as a Public Prosecutor or a Special Public Prosecutor under this section unless he has been in practice as an advocate for not less than seven years, under the Union or a State, requiring special knowledge of law.

(3) Every person appointed as a Public Prosecutor or a Special Public Prosecutor under this section shall be deemed to be a Public Prosecutor within the meaning of clause (u) of section 2 of the Code of Criminal Procedure, 1973 (2 of 1974) and the provisions of that Code shall have effect accordingly.

47. Appeal and revision.—The High Court may exercise, so far as may be applicable, all the powers conferred by Chapter XXIX or Chapter XXX of the Code of Criminal Procedure, 1973 (2 of 1974), on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Session trying cases within the local limits of the jurisdiction of the High Court.

CHAPTER VIII

AUTHORITIES

48. Authorities under Act.—There shall be the following classes of authorities for the purposes of this Act, namely:—

- (a) Director or Additional Director or Joint Director,
- (b) Deputy Director,
- (c) Assistant Director, and
- (d) such other class of officers as may be appointed for the purposes of this Act.

49. Appointment and powers of authorities and other officers.—(1) The Central Government may appoint such persons as it thinks fit to be authorities for the purposes of this Act.

(2) Without prejudice to the provisions of sub-section (1), the Central Government may authorise the Director or an Additional Director or a Joint Director or a Deputy Director or an Assistant Director appointed under that sub-section to appoint other authorities below the rank of an Assistant Director.

(3) Subject to such conditions and limitations as the Central Government may impose, an authority may exercise the powers and discharge the duties conferred or imposed on it under this Act.

50. Powers of authorities regarding summons, production of documents and to give evidence, etc.—(1) The Director shall, for the purposes of section 13, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908) while trying a suit in respect of the following matters, namely:—

- (a) discovery and inspection;

(b) enforcing the attendance of any person, including any officer of a ¹[reporting entity] and examining him on oath;

(c) compelling the production of records;

(d) receiving evidence on affidavits;

(e) issuing commissions for examination of witnesses and documents; and

(f) any other matter which may be prescribed.

(2) The Director, Additional Director, Joint Director, Deputy Director or Assistant Director shall have power to summon any person whose attendance he considers necessary whether to give evidence or to produce any records during the course of any investigation or proceeding under this Act.

(3) All the persons so summoned shall be bound to attend in person or through authorised agents, as such officer may direct, and shall be bound to state the truth upon any subject respecting which they are examined or make statements, and produce such documents as may be required.

(4) Every proceeding under sub-sections (2) and (3) shall be deemed to be a judicial proceeding within the meaning of section 193 and section 228 of the Indian Penal Code (45 of 1860).

(5) Subject to any rules made in this behalf by the Central Government, any officer referred to in sub-section (2) may impound and retain in his custody for such period, as he thinks fit, any records produced before him in any proceedings under this Act:

Provided that an Assistant Director or a Deputy Director shall not—

(a) impound any records without recording his reasons for so doing; or

(b) retain in his custody any such records for a period exceeding three months, without obtaining the previous approval of the ²[Joint Director].

51. Jurisdiction of authorities.—(1) The authorities shall exercise all or any of the powers and perform all or any of the functions conferred on, or, assigned, as the case may be, to such authorities by or under this Act or the rules framed thereunder in accordance with such directions as the Central Government may issue for the exercise of powers and performance of the functions by all or any of the authorities.

(2) In issuing the directions or orders referred to in sub-section (1), the Central Government may have regard to any one or more of the following criteria, namely:—

(a) territorial area;

(b) classes of persons;

(c) classes of cases; and

(d) any other criterion specified by the Central Government in this behalf.

52. Power of Central Government to issue directions, etc.—The Central Government may, from time to time, issue such orders, instructions and directions to the authorities as it may deem fit for the proper administration of this Act and such authorities and all other persons employed in execution of this Act shall observe and follow such orders, instructions and directions of the Central Government:

Provided that no such orders, instructions or directions shall be issued so as to—

(a) require any authority to decide a particular case in a particular manner; or

(b) interfere with the discretion of the Adjudicating Authority in exercise of his functions.

53. Empowerment of certain officers.—The Central Government may, by a special or general order, empower an officer not below the rank of Director of the Central Government or of a State Government to act as an authority under this Act:

1. Subs. by Act 2 of 2013, s. 22, for “banking company or a financial institution or a company,” (w.e.f. 15-2-2013).

2. Subs. by Act 13 of 2018, s. 208, for “Director” (w.e.f. 19-4-2018).

Provided that the Central Government may empower an officer below the rank of Director if the officer of the rank of the Director or above are not available in a particular area.

54. Certain officers to assist in inquiry, etc.—The following ¹[officers and others] are hereby empowered and required to assist the authorities in the enforcement of this Act, namely:—

- (a) officers of the Customs and Central Excise Departments;
- (b) officers appointed under sub-section (1) of section 5 of the Narcotic Drugs and Psychotropic Substances Act, 1985 (61 of 1985);
- (c) income-tax authorities under sub-section (1) of section 117 of the Income-tax Act, 1961 (43 of 1961);
- ²[(d) members of the recognised stock exchange referred to in clause (f) of section 2 and the officers of the stock exchanges recognised under section 4 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);]
- (e) officers of the Reserve Bank of India constituted under sub-section (1) of section 3 of the Reserve Bank of India Act, 1934 (2 of 1934);
- (f) officers of Police;
- (g) officers of enforcement appointed under sub-section (1) of section 36 of the Foreign Exchange Management Act, 1999 (40 of 1999);
- (h) officers of the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- ³[(ha) officers of the Insurance Regulatory and Development Authority established under section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);
- (hb) officers of the Forward Markets Commission established under section 3 of the Forward Contracts (Regulation) Act, 1952 (74 of 1952);
- (hc) officers and members of the recognised association recognised under section 6 of the Forward Contracts (Regulation) Act, 1952 (74 of 1952);
- (hd) officers of the Pension Fund Regulatory and Development Authority;
- (he) officers of the Department of Posts in the Government of India;
- (hf) Registrars or Sub-Registrars appointed by the State Governments under section 6 of the Registration Act, 1908 (16 of 1908);
- (hg) registering authority empowered to register motor vehicles under Chapter IV of the Motor Vehicles Act, 1988 (59 of 1988);
- (hh) officers and members of the Institute of Chartered Accountants of India constituted under section 3 of the Chartered Accountants Act, 1949 (38 of 1949);
- (hi) officers and members of the Institute of Cost and Works Accountants of India constituted under section 3 of the Cost and Works Accountants Act, 1959 (23 of 1959);
- (hj) officers and members of the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980 (56 of 1980);]
- (i) officers of any other body corporate constituted or established under a Central Act or a State Act;

1. Subs. by Act 2 of 2013, s. 23 for “officers” (w.e.f. 15-2-2013).

2. Subs. by s. 23, *ibid.*, for clause (d) (w.e.f. 15-2-2013).

3. Ins. by s. 23, *ibid.* (w.e.f. 15-2-2013).

(j) such other officers of the Central Government, State Government, local authorities or ¹[reporting entities] as the Central Government may, by notification, specify, in this behalf.

CHAPTER IX

RECIPROCAL ARRANGEMENT FOR ASSISTANCE IN CERTAIN MATTERS AND PROCEDURE FOR ATTACHMENT AND CONFISCATION OF PROPERTY

55. Definitions.—In this Chapter, unless the context otherwise requires,—

(a) “contracting State” means any country or place outside India in respect of which arrangements have been made by the Central Government with the Government of such country through a treaty or otherwise;

(b) “identifying” includes establishment of a proof that the property was derived from, or used in the commission of an offence under section 3;

(c) “tracing” means determining the nature, source, disposition, movement, title or ownership of property.

56. Agreements with foreign countries.—(1) The Central Government may enter into an agreement with the Government of any country outside India for—

(a) enforcing the provisions of this Act;

(b) exchange of information for the prevention of any offence under this Act or under the corresponding law in force in that country or investigation of cases relating to any offence under this Act,

and may, by notification in the Official Gazette, make such provisions as may be necessary for implementing the agreement.

(2) The Central Government may, by notification in the Official Gazette, direct that the application of this Chapter in relation to a contracting State with which reciprocal arrangements have been made, shall be subject to such conditions, exceptions or qualifications as are specified in the said notification.

57. Letter of request to a contracting State in certain cases.—(1) Notwithstanding anything contained in this Act or the Code of Criminal Procedure, 1973 (2 of 1974) if, in the course of an investigation into an offence or other proceedings under this Act, an application is made to a Special Court by the Investigating Officer or any officer superior in rank to the Investigating Officer that any evidence is required in connection with investigation into an offence or proceedings under this Act and he is of the opinion that such evidence may be available in any place in a contracting State, and the Special Court, on being satisfied that such evidence is required in connection with the investigation into an offence or proceedings under this Act, may issue a letter of request to a court or an authority in the contracting State competent to deal with such request to—

(i) examine facts and circumstances of the case,

(ii) take such steps as the Special Court may specify in such letter of request, and

(iii) forward all the evidence so taken or collected to the Special Court issuing such letter of request.

(2) The letter of request shall be transmitted in such manner as the Central Government may specify in this behalf.

1. Subs. by Act 2 of 2013, s. 23, for “banking companies” (w.e.f. 15-2-2013).

(3) Every statement recorded or document or thing received under sub-section (1) shall be deemed to be the evidence collected during the course of investigation.

58. Assistance to a contracting State in certain cases.—Where a letter of request is received by the Central Government from a court or authority in a contracting State requesting for investigation into an offence or proceedings under this Act and forwarding to such court or authority any evidence connected therewith, the Central Government may forward such letter of request to the Special Court or to any authority under the Act as it thinks fit for execution of such request in accordance with the provisions of this Act or, as the case may be, any other law for the time being in force.

¹**[58A. Special Court to release the property.**—Where on closure of the criminal case or conclusion of a trial in a criminal court outside India under the corresponding law of any other country, such court finds that the offence of money-laundering has not taken place or the property in India is not involved in money-laundering, the Special Court may, on an application moved by the concerned person or the Director, after notice to the other party, order release of such property to the person entitled to receive it.

58B. Letter of request of a contracting State or authority for confiscation or release the property.—Where the trial under the corresponding law of any other country cannot be conducted by reason of the death of the accused or the accused being declared a proclaimed offender or for any other reason or having commenced but could not be concluded, the Central Government shall, on receipt of a letter of request from a court or authority in a contracting State requesting for confiscation or release of property, as the case may be, forward the same to the Director to move an application before the Special Court and upon such application the Special Court shall pass appropriate orders regarding confiscation or release of such property involved in the offence of money-laundering.]

59. Reciprocal arrangements for processes and assistance for transfer of accused persons.—(1) Where a Special Court, in relation to an offence punishable under section 4, desires that—

- (a) a summons to an accused person, or
- (b) a warrant for the arrest of an accused person, or
- (c) a summons to any person requiring him to attend and produce a document or other thing or to produce it, or
- (d) a search warrant,

issued by it shall be served or executed at any place in any contracting State, it shall send such summons or warrant in duplicate in such form, to such Court, Judge or Magistrate through such authorities, as the Central Government may, by notification, specify in this behalf and that Court, Judge or Magistrate, as the case may be, shall cause the same to be executed.

(2) Where a Special Court, in relation to an offence punishable under section 4 has received for service or execution—

- (a) a summons to an accused person, or
- (b) a warrant for the arrest of an accused person, or
- (c) a summons to any person requiring him to attend and produce a document or other thing, or to produce it, or
- (d) a search warrant,

1. Ins. by Act 2 of 2013, s. 24 (w.e.f. 15-2-2013).

issued by a Court, Judge or Magistrate in a contracting State, it shall, cause the same to be served or executed as if it were a summons or warrant received by it from another Court in the said territories for service or execution within its local jurisdiction; and where—

(i) a warrant of arrest has been executed, the person arrested shall be dealt with in accordance with the procedure specified under section 19;

(ii) a search warrant has been executed, the things found in this search shall, so far as possible, be dealt with in accordance with the procedure specified under sections 17 and 18:

Provided that in a case where a summon or search warrant received from a contracting State has been executed, the documents or other things produced or things found in the search shall be forwarded to the Court issuing the summons or search-warrant through such authority as the Central Government may, by notification, specify in this behalf.

(3) Where a person transferred to a contracting State pursuant to sub-section (2) is a prisoner in India, the Special Court or the Central Government may impose such conditions as that Court or Government deems fit.

(4) Where the person transferred to India pursuant to sub-section (1) is a prisoner in a contracting State, the Special Court in India shall ensure that the conditions subject to which the prisoner is transferred to India are complied with and such prisoner shall be kept in such custody subject to such conditions as the Central Government may direct in writing.

60. Attachment, seizure and confiscation, etc., of property in a contracting State or India.—(1) Where the Director has made an order for attachment of any ¹[property under section 5 or for freezing under sub-section (1A) of section 17 or where an Adjudicating Authority has made an order relating to a property under section 8 or where a Special Court has made an order of confiscation relating to a property under sub-section (5) or sub section (6) of section 8] and such property is suspected to be in a contracting State, the Special Court, on an application by the Director or the Administrator appointed under sub-section (1) of section 10, as the case may be, may issue a letter of request to a court or an authority in the contracting State for execution of such order.

(2) Where a letter of request is received by the Central Government from a court or an authority in a contracting State requesting ²[attachment, seizure, freezing or confiscation] of the property in India, derived or obtained, directly or indirectly, by any person from the commission of an offence under ³[a corresponding law] committed in that contracting State, the Central Government may forward such letter of request to the Director, as it thinks fit, for execution in accordance with the provisions of this Act.

⁴[(2A) Where on closure of the criminal case or conclusion of trial in a criminal court outside India under the corresponding law of any other country, such court finds that the offence of money-laundering

1. Subs. by Act 2 of 2013, s. 25, for certain words and figures (w.e.f. 15-2-2013).

2. Subs. by s. 25, *ibid.*, for “attachment or confiscation” (w.e.f. 15-2-2013).

3. Subs. by s. 25, *ibid.*, for “section 3” (w.e.f. 15-2-2013).

4. Ins. by s. 25, *ibid.* (w.e.f. 15-2-2013).

under the corresponding law of that country has been committed, the ¹[Special Court] shall, on receipt of an application from the Director for execution of confiscation under sub-section (2), order, after giving notice to the affected persons, that such property involved in money-laundering or which has been used for commission of the offence of money-laundering stand confiscated to the Central Government.]

(3) The Director shall, on receipt of a letter of request under section 58 or section 59, direct any authority under this Act to take all steps necessary for tracing and identifying such property.

(4) The steps referred to in sub-section (3) may include any inquiry, investigation or survey in respect of any person, place, property, assets, documents, books of account in any bank or public financial institutions or any other relevant matters.

(5) Any inquiry, investigation or survey referred to in sub-section (4) shall be carried out by an authority mentioned in sub-section (3) in accordance with such directions issued in accordance with the provisions of this Act.

(6) The provisions of this Act relating to attachment, adjudication, confiscation and vesting of property in the Central Government contained in Chapter III and survey, searches and seizures contained in Chapter V shall apply to the property in respect of which letter of request is received from a court or contracting State for attachment or confiscation of property.

²[(7) When any property in India is confiscated as a result of execution of a request from a contracting State in accordance with the provisions of this Act, the Central Government may either return such property to the requesting State or compensate that State by disposal of such property on mutually agreed terms that would take into account deduction for reasonable expenses incurred in investigation, prosecution or judicial proceedings leading to the return or disposal of confiscated property.]

61. Procedure in respect of letter of request.—Every letter of request, summons or warrant, received by the Central Government from, and every letter of request, summons or warrant, to be transmitted to a contracting State under this Chapter shall be transmitted to a contracting State or, as the case may be, sent to the concerned Court in India and in such form and in such manner as the Central Government may, by notification, specify in this behalf.

CHAPTER X

MISCELLANEOUS

62. Punishment for vexatious search.—Any authority or officer exercising powers under this Act or any rules made thereunder, who, without reasons recorded in writing,—

- (a) searches or causes to be searched any building or place; or
- (b) detains or searches or arrests any person,

shall for every such offence be liable on conviction for imprisonment for a term which may extend to two years or fine which may extend to fifty thousand rupees or both.

63. Punishment for false information or failure to give information, etc.—(1) Any person wilfully and maliciously giving false information and so causing an arrest or a search to be made under this Act shall on conviction be liable for imprisonment for a term which may extend to two years or with fine which may extend to fifty thousand rupees or both.

(2) If any person,—

1. Subs. by Act 20 of 2015, s. 150, for “Adjudicating Authority” (w.e.f. 14-5-2015).

2. Ins. by Act 21 of 2009, s. 12 (w.e.f. 1-6-2009).

(a) being legally bound to state the truth of any matter relating to an offence under section 3, refuses to answer any question put to him by an authority in the exercise of its powers under this Act; or

(b) refuses to sign any statement made by him in the course of any proceedings under this Act, which an authority may legally require to sign; or

(c) to whom a summon is issued under section 50 either to attend to give evidence or produce books of account or other documents at a certain place and time, omits to attend or produce books of account or documents at the place or time,

he shall pay, by way of penalty, a sum which shall not be less than five hundred rupees but which may extend to ten thousand rupees for each such default or failure.

(3) No order under this section shall be passed by an authority referred to in sub-section (2) unless the person on whom the penalty is proposed to be imposed is given an opportunity of being heard in the matter by such authority.

¹[(4) Notwithstanding anything contained in clause (c) of sub-section (2), a person who intentionally disobeys any direction issued under section 50 shall also be liable to be proceeded against under section 174 of the Indian Penal Code (45 of 1860).]

64. Cognizance of offences.—(1) No court shall take cognizance of any offence under section 62 or sub-section (1) of section 63 except with the previous sanction of the Central Government.

(2) The Central Government shall, by an order, either give sanction or refuse to give sanction within ninety days of the receipt of the request in this behalf.

65. Code of Criminal Procedure, 1973 to apply.—The provisions of the Code of Criminal Procedure, 1973 (2 of 1974) shall apply, in so far as they are not inconsistent with the provisions of this Act, to arrest, search and seizure, attachment, confiscation investigation, prosecution and all other proceedings under this Act.

66. Disclosure of information.—²[(1)] The Director or any other authority specified by him by a general or special order in this behalf may furnish or cause to be furnished to—

(i) any officer, authority or body performing any functions under any law relating to imposition of any tax, duty or cess or to dealings in foreign exchange, or prevention of illicit traffic in the narcotic drugs and psychotropic substances under the Narcotic Drugs and Psychotropic Substances Act, 1985 (61 of 1985); or

(ii) such other officer, authority or body performing functions under any other law as the Central Government may, if in its opinion it is necessary so to do in the public interest, specify, by notification in the Official Gazette, in this behalf, any information received or obtained by such Director or any other authority, specified by him in the performance of their functions under this Act, as may, in the opinion of the Director or the other authority, so specified by him, be necessary for the purpose of the officer, authority or body specified in clause (i) or clause (ii) to perform his or its functions under that law.

1. Ins. by Act 2 of 2013, s.26 (w.e.f. 15-2-2013).

2. Section 66 numbered as sub-section (1) by Act 13 of 2018, s. 208 (w.e.f. 19-4-2018).

¹[(2) If the Director or other authority specified under sub-section (1) is of the opinion, on the basis of information or material in his possession, that the provisions of any other law for the time being in force are contravened, then the Director or such other authority shall share the information with the concerned agency for necessary action.]

67. Bar of suits in civil courts.—No suit shall be brought in any civil court to set aside or modify any proceeding taken or order made under this Act and no prosecution, suit or other proceeding shall lie against the Government or any officer of the Government for anything done or intended to be done in good faith under this Act.

68. Notice, etc., not to be invalid on certain grounds.—No notice, summons, order, document or other proceeding, furnished or made or issued or taken or purported to have been furnished or made or issued or taken in pursuance of any of the provisions of his Act shall be invalid, or shall be deemed to be invalid merely by reason of any mistake, defect or omission in such notice, summons, order, document or other proceeding if such notice, summons, order, document or other proceeding is in substance and effect in conformity with or according to the intent and purpose of this Act.

²[**69. Recovery of fine or penalty.**—Where any fine or penalty imposed on any person under section 13 or section 63 is not paid within six months from the day of imposition of fine or penalty, the Director or any other officer authorised by him in this behalf may proceed to recover the amount from the said person in the same manner as prescribed in Schedule II of the Income-tax Act, 1961 (43 of 1961) for the recovery of arrears and he or any officer authorised by him in this behalf shall have all the powers of the Tax Recovery Officer mentioned in the said Schedule for the said purpose.]

70. Offences by companies.—(1) Where a person committing a contravention of any of the provisions of this Act or of any rule, direction or order made thereunder is a company, every person who, at the time the contravention was committed, was in charge of and was responsible to the company, for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to punishment if he proves that the contravention took place without his knowledge or that he exercised all due diligence to prevent such contravention.

(2) Notwithstanding anything contained in sub-section (1), where a contravention of any of the provisions of this Act or of any rule, direction or order made thereunder has been committed by a company and it is proved that the contravention has taken place with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other officer of any company, such director, manager, secretary or other officer shall also be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly.

Explanation ³[1].—For the purposes of this section,—

(i) “company” means any body corporate and includes a firm or other association of individuals; and

(ii) “director”, in relation to a firm, means a partner in the firm.

1. Ins. by Act 13 of 2018, s. 208 (w.e.f. 19-4-2018).

2. Subs. by Act 2 of 2013, s. 27, for section 69 (w.e.f. 15-2-2013).

3. *Explanation* shall be numbered as *Explanation 1* by s. 28, *ibid.* (w.e.f. 15-2-2013)

¹[*Explanation 2.*—For the removal of doubts, it is hereby clarified that a company may be prosecuted, notwithstanding whether the prosecution or conviction of any legal juridical person shall be contingent on the prosecution or conviction of any individual.]

71. Act to have overriding effect.—The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

72. Continuation of proceedings in the event of death or insolvency.—(1) Where—

(a) any property of a persons has been attached under section 8 and no appeal against the order attaching such property has been preferred; or

(b) any appeal has been preferred to the Appellate Tribunal, and—

(i) in a case referred to in clause (a), such person dies or is adjudicated an insolvent before preferring an appeal to the Appellate Tribunal; or

(ii) in a case referred to in clause (b), such person dies or is adjudicated an insolvent during the pendency of the appeal,

then, it shall be lawful for the legal representatives of such person or the official assignee or the official receiver, as the case may be, to prefer an appeal to the Appellate Tribunal or as the case may be, to continue the appeal before the Appellate Tribunal, in place of such person and the provisions of section 26 shall, so far as may be, apply, or continue to apply, to such appeal.

(2) Where—

(a) after passing of a decision or order by the Appellate Tribunal, no appeal has been preferred to the High court under section 42; or

(b) any such appeal has been preferred to the High Court,—

then—

(i) in a case referred to in clause (a), the person entitled to file the appeal dies or is adjudicated an insolvent before preferring an appeal to the High Court, or

(ii) in a case referred to in clause (b), the person who had filed the appeal dies or is adjudicated an insolvent during the pendency of the appeal before the High Court,

then, it shall be lawful for the legal representatives of such person, or the official assignee or the official receiver, as the case may be, to prefer an appeal to the High Court or to continue the appeal before the High Court in place of such person and the provisions of section 42 shall, so far as may be, apply, or continue to apply, to such appeal.

(3) The powers of the official assignee or the official receiver under sub-section (1) or sub-section (2) shall be exercised by him subject to the provisions of the Presidency-towns Insolvency Act, 1909 (3 of 1909) or the Provincial Insolvency Act, 1920 (5 of 1920), as the case may be.

²[**72A. Inter-ministerial Co-ordination Committee.**—The Central Government may, by notification, constitute an Inter-ministerial Co-ordination Committee for inter-departmental and inter-agency co-ordination for the following purposes, namely:—

(a) operational co-operation between the Government, law enforcement agencies, the Financial Intelligence Unit, India and the regulators or supervisors;

(b) policy co-operation and co-ordination across all relevant or competent authorities;

1. Ins. by Act 2 of 2013, s. 28 (w.e.f. 15-2-2013).

2. Ins. by Act 23 of 2019, s. 201 (w.e.f. 1-8-2019).

(c) such consultation among the concerned authorities, the financial sector and other sectors, as are appropriate, and are related to anti money-laundering or countering the financing of terrorism laws, regulations and guidelines;

(d) development and implementing policies on anti money-laundering or countering the financing of terrorism; and

(e) any other matter as the Central Government may, by notification, specify in this behalf.]

73. Power to make rules.—(1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the form in which records referred to in this Act may be maintained;

¹[(aa) the manner of provisional attachment of property under sub-section (1) of section 5;]

(b) the manner in which the order and the material referred to in sub-section (2) of section 5 to be maintained;

(c) matters in respect of experience of Members under sub-section (3) of section 6;

(d) the salaries and allowances payable to and other terms and conditions of service of Members of the Adjudicating Authority under sub-section (9) of section 6;

(e) the salaries and allowances payable to and other terms and conditions of service of the officers and employees of the Adjudicating Authority under sub-section (3) of section 7;

¹[(ee) the manner of seizing or taking possession of property attached under section 5 or frozen under sub-section (1A) of section 17 or under sub-section (4) of section 8;]

(f) the manner in which and the conditions subject to which the properties confiscated may be received and managed under sub-section (2) of section 10;

(g) the additional matters in respect of which the Adjudicating Authority may exercise the powers of a civil court under clause (f) of sub-section (1) of section 11;

2* * *

(i) ³[the nature and value of transactions and the time within which] the information of transactions under clause (b) of sub-section (1) of section 12 shall be furnished;

4* * *

⁵[(jja) the manner and the conditions in which authentication of the identity of clients shall be verified by the reporting entities under clause (a) of sub-section (1) of section 12AA;

(jjb) the manner of identifying the ownership and financial position of the client under clause (b) of sub-section (1) of section 12AA;

1. Ins. by Act 2 of 2013, s. 29 (w.e.f. 15-2-2013).

2. Clause (h) omitted by s. 29, *ibid.* (w.e.f. 15-2-2013).

3. Subs. by s. 29, *ibid.*, for “the time within which” (w.e.f. 15-2-2013).

4. Clauses (j) and (jj) omitted by Act 14 of 2019, s. 29 (w.e.f. 25-07-2019).

5. Ins. by Act 23 of 2019, s. 202 (w.e.f. 1-8-2019).

(*jjc*) additional steps to record the purpose behind conducting the specified transaction and the intended nature of the relationship between the transaction parties under clause (c) of sub-section (1) of section 12AA;

(*jjd*) manner of increasing the future monitoring under sub-section (3) of section 12AA.]

(*jjj*) the period of interval in which the reports are sent by the reporting entities or any of its employees under clause (c) of sub-section (2) of section 13;]

(k) the procedure and the manner of maintaining and furnishing information under sub-section (1) of section 12 as required under section 15;

(l) the manner in which the reasons and the material referred to in sub-section (2) of section 16 shall be maintained;

(m) the rules relating to search and seizure under sub-section (1) of section 17;

(n) the manner in which the reasons and the material referred to in sub-section (2) of section 17 shall be maintained;

(o) the manner in which the reasons and the material referred to in sub-section (2) of section 18 shall be maintained;

(p) the manner in which the order and the material referred to in sub-section (2) of section 19 shall be maintained;

¹[(*pp*) the manner in which the forwarding of the order for retention or continuation of freezing of the property and the period of keeping such order and material under sub-section (2) of section 20;]

(q) the manner in which records authenticated outside India may be received under sub-section (2) of section 22;

(r) the form of appeal and the fee for filing such appeal, under sub-section (3) of section 26;

1* * * *

(u) the additional matters in respect of which the Appellate Tribunal may exercise the powers of a civil court under clause (i) of sub-section (2) of section 35;

²[(*ua*) conditions subject to which a police officer may be authorised to investigate into an offence under sub-section (1A) of section 45;]

(v) the additional matters in respect of which the authorities may exercise powers of a civil court under clause (f) of sub-section (1) of section 50;

(w) the rules relating to impounding and custody of records under sub-section (5) of section 50;

(x) any other matter which is required to be, or may be, prescribed.

74. Rules to be laid before Parliament.—Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so,

1. Clauses (s) and (t) omitted by Act 28 of 2016, s. 232 (w.e.f. 1-6-2016).

2. Ins. by Act 20 of 2005, s. 8 (w.e.f. 1-7-2005).

however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

75. Power to remove difficulties.—(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary for removing the difficulty:

Provided that no order shall be made under this section after the expiry of two years from the commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

THE SCHEDULE
[See section 2(v)]
¹[PART A
PARAGRAPH 1
OFFENCES UNDER THE INDIAN PENAL CODE
(45 OF 1860)]

Section	Description of offence
120B	Criminal conspiracy.
121	Waging or attempting to wage war or abetting waging of war, against the Government of India.
121A	Conspiracy to commit offences punishable by section 121 against the State.
255	Counterfeiting Government stamp.
257	Making or selling instrument for counterfeiting Government stamp.
258	Sale of counterfeit Government stamp.
259	Having possession of counterfeit Government stamp.
260	Using as genuine a Government stamp known to be counterfeit.
302	Murder.
304	Punishment for culpable homicide not amounting to murder.
307	Attempt to murder.
308	Attempt to commit culpable homicide.
327	Voluntarily causing hurt to extort property, or to constrain to an illegal act.
329	Voluntarily causing grievous hurt to extort property, or to constrain to an illegal act.
364A	Kidnapping for ransom, etc.
384 to 389	Offences relating to extortion.
392 to 402	Offences relating to robbery and dacoity.
411	Dishonestly receiving stolen property.
412	Dishonestly receiving property stolen in the commission of a dacoity.
413	Habitually dealing in stolen property.
414	Assisting in concealment of stolen property.
417	Punishment for cheating.
418	Cheating with knowledge that wrongful loss may ensue to person whose interest offender is bound to protect.
419	Punishment for cheating by personation.
420	Cheating and dishonestly inducing delivery of property.
421	Dishonest or fraudulent removal or concealment of property to prevent distribution among creditors.

1. Subs. by Act 2 of 2013, s.30, for Part A (w.e.f. 15-2-2013).

Section	Description of offence
422	Dishonestly or fraudulently preventing debt being available for creditors.
423	Dishonest or fraudulent execution of deed of transfer containing false statement of consideration.
424	Dishonest or fraudulent removal or concealment of property.
467	Forgery of valuable security, will, etc.
471	Using as genuine a forged document or electronic record.
472 and 473	Making or possessing counterfeit seal, etc., with intent to commit forgery.
475 and 476	Counterfeiting device or mark.
481	Using a false property mark.
482	Punishment for using a false property mark.
483	Counterfeiting a property mark used by another.
484	Counterfeiting a mark used by a public servant.
485	Making or possession of any instrument for counterfeiting a property mark.
486	Selling goods marked with a counterfeit property mark.
487	Making a false mark upon any receptacle containing goods.
488	Punishment for making use of any such false mark.
489A	Counterfeiting currency notes or bank notes.
489B	Using as genuine, forged or counterfeit currency notes or bank notes.

PARAGRAPH 2

OFFENCES UNDER THE NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES ACT, 1985 (61 OF 1985)

Section	Description of offence
15	Contravention in relation to poppy straw.
16	Contravention in relation to coca plant and coca leaves.
17	Contravention in relation to prepared opium.
18	Contravention in relation to opium poppy and opium.
19	Embezzlement of opium by cultivator.
20	Contravention in relation to cannabis plant and cannabis.
21	Contravention in relation to manufactured drugs and preparations.
22	Contravention in relation to psychotropic substances.
23	Illegal import into India, export from India or transshipment of narcotic drugs and psychotropic substances.

Section	Description of offence
24	External dealings in narcotic drugs and psychotropic substances in contravention of section 12 of the Narcotic Drugs and Psychotropic Substances Act, 1985.
25A	Contravention of orders made under section 9A of the Narcotic Drugs and Psychotropic Substances Act, 1985.
27A	Financing illicit traffic and harbouring offenders.
29	Abetment and criminal conspiracy.

PARAGRAPH 3

OFFENCES UNDER THE EXPLOSIVE SUBSTANCES ACT, 1908 (6 OF 1908)

Section	Description of offence
3	Causing explosion likely to endanger life or property.
4	Attempt to cause explosion, or for making or keeping explosives with intent to endanger life or property.
5	Making or possessing explosives under suspicious circumstances.

PARAGRAPH 4

OFFENCES UNDER THE UNLAWFUL ACTIVITIES (PREVENTION) ACT, 1967 (37 OF 1967)

Section	Description of offence
10 read with section 3	Penalty for being member of an unlawful association, etc.
11 read with section 3	Penalty for dealing with funds of an unlawful association.
13 read with section 3	Punishment for unlawful activities.
16 read with section 15	Punishment for terrorist act.
16A	Punishment for making demands of radioactive substances, nuclear devices, etc.
17	Punishment for raising funds for terrorist act.
18	Punishment for conspiracy, etc.
18A	Punishment for organising of terrorist camps.
18B	Punishment for recruiting of any person or persons for terrorist act.
19	Punishment for harbouring, etc.
20	Punishment for being member of terrorist gang or organisation.
21	Punishment for holding proceeds of terrorism.
38	Offence relating to membership of a terrorist organisation.
39	Offence relating to support given to a terrorist organisation.

Section	Description of offence
40	Offence of raising fund for a terrorist organisation.

PARAGRAPH 5

OFFENCES UNDER THE ARMS ACT, 1959

(54 OF 1959)

Section	Description of offence
25	To manufacture, sell, transfer, convert, repair or test or prove or expose or offer for sale or transfer or have in his possession for sale, transfer, conversion, repair, test or proof, any arms or ammunition in contravention of section 5 of the Arms Act, 1959. To acquire, have in possession or carry any prohibited arms or prohibited ammunition in contravention of section 7 of the Arms Act, 1959. Contravention of section 24A of the Arms Act, 1959 relating to prohibition as to possession of notified arms in disturbed areas, etc. Contravention of section 24B of the Arms Act, 1959 relating to prohibition as to carrying of notified arms in or through public places in disturbed areas. Other offences specified in section 25.
26	To do any act in contravention of any provisions of section 3, 4, 10 or section 12 of the Arms Act, 1959 in such manner as specified in sub-section (1) of section 26 of the said Act. To do any act in contravention of any provisions of section 5, 6, 7 or section 11 of the Arms Act, 1959 in such manner as specified in sub-section (2) of section 26 of the said Act. Other offences specified in section 26.
27	Use of arms or ammunitions in contravention of section 5 or use of any arms or ammunition in contravention of section 7 of the Arms Act, 1959.
28	Use and possession of fire arms or imitation fire arms in certain cases.
29	Knowingly purchasing arms from unlicensed person or for delivering arms, etc., to person not entitled to possess the same.
30	Contravention of any condition of a licence or any provisions of the Arms Act, 1959 or any rule made thereunder.

PARAGRAPH 6

OFFENCES UNDER THE WILD LIFE (PROTECTION) ACT, 1972

(53 OF 1972)

Section	Description of offence
51 read with section 9	Hunting of wild animals.
51 read with section 17A	Contravention of provisions of section 17A relating to prohibition of picking, uprooting, etc., of specified plants.
51 read with section 39	Contravention of provisions of section 39 relating to wild animals, etc., to be Government property.

Section	Description of offence
51 read with section 44	Contravention of provisions of section 44 relating to dealings in trophy and animal articles without licence prohibited.
51 read with section 48	Contravention of provisions of section 48 relating to purchase of animal, etc., by licensee.
51 read with section 49B	Contravention of provisions of section 49B relating to prohibition of dealings in trophies, animals articles, etc., derived from scheduled animals.

PARAGRAPH 7

OFFENCES UNDER THE IMMORAL TRAFFIC (PREVENTION) ACT, 1956 (104 OF 1956)

Section	Description of offence
5	Procuring, inducing or taking person for the sake of prostitution.
6	Detaining a person in premises where prostitution is carried on.
8	Seducing or soliciting for purpose of prostitution.
9	Seduction of a person in custody.

¹[PARAGRAPH 8

OFFENCES UNDER THE PREVENTION OF CORRUPTION ACT, 1988 (49 OF 1988)

Section	Description of offence
7.	Offence relating to public servant being bribed.
7A.	Taking undue advantage to influence public servant by corrupt or illegal means or by exercise of personal influence.
8.	Offence relating to bribing a public servant.
9.	Offence relating to bribing a public servant by a commercial organisation.
10.	Person in charge of commercial organisation to be guilty of offence.
11.	Public servant obtaining undue advantage, without consideration from person concerned in proceeding or business transacted by such public servant.
12.	Punishment for abetment of offences.
13.	Criminal misconduct by a public servant.
14	Punishment for habitual offender.]

1. Subs. by Act 16 of 2018, s. 19, for Paragraph 8 (w.e.f. 26-7-2018).

PARAGRAPH 9

OFFENCES UNDER THE EXPLOSIVES ACT, 1884

(4 OF 1884)

Section	Description of offence
9B	Punishment for certain offences.
9C	Offences by companies.

PARAGRAPH 10

OFFENCES UNDER THE ANTIQUITIES AND ARTS TREASURES ACT, 1972

(52 OF 1972)

Section	Description of offence
25 read with section 3	Contravention of export trade in antiquities and art treasures.
28	Offences by companies.

PARAGRAPH 11

OFFENCES UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

(15 OF 1992)

Section	Description of offence
12A read with section 24	Prohibition of manipulative and deceptive devices, insider trading and substantial.
24	Acquisition of securities or control.

PARAGRAPH 12

OFFENCES UNDER THE CUSTOMS ACT, 1962

(52 OF 1962)

Section	Description of offence
135	Evasion of duty or prohibitions.

PARAGRAPH 13

OFFENCES UNDER THE BONDED LABOUR SYSTEM (ABOLITION) ACT, 1976 (19 OF 1976)

Section	Description of offence
16	Punishment for enforcement of bonded labour.
18	Punishment for extracting bonded labour under the bonded labour system.
20	Abetment to be an offence.

PARAGRAPH 14

OFFENCES UNDER THE CHILD LABOUR (PROHIBITION AND REGULATION) ACT, 1986 (61 OF 1986)

Section	Description of offence
14	Punishment for employment of any child to work in contravention of the provisions of section 3

PARAGRAPH 15

OFFENCES UNDER THE TRANSPLANTATION OF HUMAN ORGANS ACT, 1994 (42 OF 1994)

Section	Description of offence
18	Punishment for removal of human organ without authority.
19	Punishment for commercial dealings in human organs.
20	Punishment for contravention of any other provision of this Act.

PARAGRAPH 16

OFFENCES UNDER THE JUVENILE JUSTICE (CARE AND PROTECTION OF CHILDREN) ACT, 2000 (56 OF 2000)

Section	Description of offence
23	Punishment for cruelty to juvenile or child.
24	Employment of juvenile or child for begging.
25	Penalty for giving intoxicating liquor or narcotic drug or psychotropic substance to juvenile or child.
26	Exploitation of juvenile or child employee.

PARAGRAPH 17
OFFENCES UNDER THE EMIGRATION ACT, 1983
(31 OF 1983)

Section	Description of offence
24	Offences and penalties.

PARAGRAPH 18
OFFENCES UNDER THE PASSPORTS ACT, 1967
(15 OF 1967)

Section	Description of offence
12	Offences and penalties.

PARAGRAPH 19
OFFENCES UNDER THE FOREIGNERS ACT, 1946
(31 OF 1946)

Section	Description of offence
14	Penalty for contravention of provisions of the Act, etc.
14B	Penalty for using forged passport.
14C	Penalty for abetment.

PARAGRAPH 20
OFFENCES UNDER THE COPYRIGHT ACT, 1957
(14 OF 1957)

Section	Description of offence
63	Offence of infringement of copyright or other rights conferred by this Act.
63A	Enhanced penalty on second and subsequent convictions.
63B	Knowing use of infringing copy of computer programme.
68A	Penalty for contravention of section 52A.

PARAGRAPH 21
OFFENCES UNDER THE TRADE MARKS ACT, 1999
(47 OF 1999)

Section	Description of offence
103	Penalty for applying false trademarks, trade descriptions, etc.
104	Penalty for selling goods or providing services to which false trademark or false trade description is applied.
105	Enhanced penalty on second or subsequent conviction.
107	Penalty for falsely representing a trademark as registered.
120	Punishment of abetment in India of acts done out of India.

PARAGRAPH 22

OFFENCES UNDER THE INFORMATION TECHNOLOGY ACT, 2000 (21 OF 2000)

Section	Description of offence
72	Penalty for breach of confidentiality and privacy.
75	Act to apply for offence or contravention committed outside India.

PARAGRAPH 23

OFFENCES UNDER THE BIOLOGICAL DIVERSITY ACT, 2002 (18 OF 2003)

Section	Description of offence
55 read with section 6	Penalties for contravention of section 6, etc.

PARAGRAPH 24

OFFENCES UNDER THE PROTECTION OF PLANT VARIETIES AND FARMERS RIGHTS ACT, 2001 (53 OF 2001)

Section	Description of offence
70 read with section 68	Penalty for applying false denomination, etc.
71 read with section 68	Penalty for selling varieties to which false denomination is applied.
72 read with section 68	Penalty for falsely representing a variety as registered.
73 read with section 68	Penalty for subsequent offence.

PARAGRAPH 25

OFFENCES UNDER THE ENVIRONMENT PROTECTION ACT, 1986 (29 OF 1986)

Section	Description of offence
15 read with section 7	Penalty for discharging environmental pollutants, etc., in excess of prescribed standards.
15 read with section 8	Penalty for handling hazardous substances without complying with procedural safeguards.

PARAGRAPH 26
OFFENCES UNDER THE WATER (PREVENTION AND CONTROL OF POLLUTION) ACT, 1974
(6 OF 1974)

Section	Description of offence
41 (2)	Penalty for pollution of stream or well.
43	Penalty for contravention of provisions of section 24.

PARAGRAPH 27
OFFENCES UNDER THE AIR (PREVENTION AND CONTROL OF POLLUTION) ACT, 1981
(14 OF 1981)

Section	Description of offence
37	Failure to comply with the provisions for operating industrial plant.

PARAGRAPH 28
OFFENCES UNDER THE SUPPRESSION OF UNLAWFUL, ACTS AGAINST SAFETY
OF MARITIME NAVIGATION AND FIXED PLATFORMS ON
CONTINENTAL SHELF ACT, 2002
(69 OF 2002)

Section	Description of offence
3	Offences against ship, fixed platform, cargo of a ship, maritime navigational facilities, etc.]

¹[**PARAGRAPH 29**
OFFENCE UNDER THE COMPANIES ACT, 2013
(18 OF 2013)

Section	Description of offence
447	Punishment for fraud]

²[**PART B**
OFFENCE UNDER THE CUSTOMS ACT, 1962
(52 OF 1962)

Section	Description of offence
132	False declaration, false documents, etc.]

³[**PART C**

An offence which is the offence of cross border implications and is specified in,—

(1) Part A; or

4* * * * *

(3) the offences against property under Chapter XVII of the Indian Penal Code (45 of 1860).]

⁵[(4) The offence of wilful attempt to evade any tax, penalty or interest referred to in section 51 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (22 of 2015).]

1. Ins. by Act 13 of 2018, s. 208 (w.e.f. 19-4-2018).
2. Ins. by Act 20 of 2015, s. 151 (w.e.f. 14-5-2015).
3. Ins. by Act 21 of 2009, s. 13 (w.e.f. 1-6-2009).
4. Serial number (2) omitted by Act 2 of 2013, s. 30 (w.e.f. 15-2-2013).
5. Ins. by Act 22 of 2015, s. 88 (w.e.f. 1-4-2016).

The Prevention of Money Laundering Act, 2002 – Bare Act & Executive Summary

1. Introduction to the Prevention of Money Laundering Act, 2002 (PMLA)

When one reads through the *Prevention of Money Laundering Act, 2002*, it becomes clear that the law was never meant to be just another statute on financial crimes. It came from a larger concern — that money earned through unlawful activities had started finding respectable entry points into legitimate systems. The Act tried to close that backdoor. It created a legal route to trace, freeze, and eventually confiscate such money before it disappears in the noise of business transactions.

The *Prevention of Money Laundering Act, 2002 Bare Act PDF* lays out this mechanism in full detail. It defines what counts as laundering, who investigates it, and how the State can step in before the damage is done. What looks like procedure on paper is, in practice, a statement of intent — that the financial network of the country cannot become a safe corridor for criminal proceeds.

Why the Prevention of Money Laundering Act, 2002 PDF Corrida Legal matters

If you look back at the early 2000s, India's economy was opening fast, but the legal structure wasn't fully ready for the scale of movement in funds. That is where the PMLA found its space. The *Prevention of Money Laundering Act, 2002 PDF Corrida Legal* explains how this law filled the gap and how it continues to adapt as new forms of financial activity emerge.

It remains relevant because it ties together the intent of several other laws — the Indian Penal Code, the Prevention of Corruption Act, and the Benami Transactions Act, to name a few. Together, they make a web of accountability that discourages anyone from trying to legalise illegal gains.

Key aspects that shaped its significance include:

- Establishing a specialised enforcement mechanism through the Directorate of Enforcement.
- Giving adjudicating authorities the power to confirm attachment and confiscation of property.
- Creating obligations for reporting entities like banks, intermediaries, and accountants.
- Building a link between domestic investigations and global anti-laundering efforts.
- Promoting a culture of self-compliance among corporates and professionals.

How the PMLA Act 2002 Executive Summary PDF explains its evolution

Over the years, the *PMLA Act 2002 Executive Summary PDF* has become an easier starting point for readers who may not have time to go through every amendment. The Act has changed more than once — each time in response to new types of financial misuse. From its narrow beginning focused on narcotics-linked crimes, it now touches almost every offence with an economic angle. That growth reflects how money movement has changed in a digital age.

Practical use of the Download PMLA Bare Act 2002 PDF

For practitioners, the *Download PMLA Bare Act 2002 PDF* serves more than a theoretical purpose. It helps identify the exact reporting requirements and timelines that businesses must follow. Lawyers use it to draft compliance manuals, auditors to review suspicious entries, and company officers to design checks that don't slow down operations but still satisfy regulators. It is one of those laws that

moves quietly in the background until a crisis brings it into focus.

Understanding the Money Laundering Act India 2002 Summary and Key Provisions today

The *Money Laundering Act India 2002 Summary and Key Provisions* takes on even greater importance now, as digital payments, crypto assets, and cross-border remittances have blurred traditional boundaries. The law's spirit remains the same, but the tools for detection have changed. Every reporting entity, whether a large bank or a small fintech, is part of that enforcement chain.

Access to the Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal

For anyone who wants to go beyond commentary and read the actual provisions, Corrida Legal's *Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal* combines the bare text with interpretive notes in one place. It's practical, regularly updated, and designed for professionals who need clarity more than jargon.

2. Objective and Scope of the Prevention of Money Laundering Act, 2002

The Prevention of Money Laundering Act, 2002 was not enacted in isolation. It was born out of the need to build a stronger financial system where illicit money could be identified and isolated before it entered the mainstream. The idea was simple, but its implications were vast. The Act gave India a dedicated framework to identify, track, and seize assets that were either acquired or used in connection with criminal activities. Over time, it has become the centrepiece of the country's anti-financial crime ecosystem.

The scope of the Prevention of Money Laundering Act, 2002 Bare Act PDF extends far beyond the conventional notion of money laundering. It covers every process involved in concealing the origin of unlawfully earned money — from placement to layering and eventual integration into the economy. By criminalising the process itself, the Act ensures that even indirect involvement, assistance, or attempt to disguise illicit money attracts liability.

2.1 Core Objective of the Prevention of Money Laundering Act, 2002 PDF Corrida Legal

The primary purpose of the law is to prevent money earned through crime from being used in legitimate business channels. The Prevention of Money Laundering Act, 2002 PDF Corrida Legal clearly outlines its objective: to confiscate the proceeds of crime and punish those who attempt to legitimise them. This is achieved by creating an institutional system where financial institutions, intermediaries, and designated businesses are legally obliged to report suspicious activity. The Act ties criminal accountability with financial responsibility, ensuring that individuals and entities cannot profit from unlawful gains.

2.2 Understanding the PMLA Act 2002 Executive Summary PDF

If one reads through the PMLA Act 2002 Executive Summary PDF, it becomes clear that the law aims to create a direct link between detection, investigation, and prosecution. Unlike older frameworks where criminal activity and financial tracking were treated separately, the PMLA brings them under one process. Every offence that generates proceeds of crime can be pursued under this Act, making it a comprehensive tool for enforcement agencies.

2.3 The Broadened Scope through Amendments

Initially, the Act applied only to specific offences such as drug trafficking and organised crime. With time, its coverage expanded through amendments that included fraud, corruption, tax evasion, and insider trading. The Download PMLA Bare Act 2002 PDF now includes schedules that list these offences under various laws. The wider coverage reflects the law's growing role in economic governance. It shows how enforcement mechanisms have evolved alongside India's expanding financial landscape.

2.4 Why the Money Laundering Act India 2002 Summary and Key Provisions Still Matter

Even after two decades, the Money Laundering Act India 2002 Summary and Key Provisions remain relevant because the methods of hiding money have become more complex. Digital assets, layered transactions, offshore accounts, and cryptocurrencies have all presented new challenges. Yet, the core idea stays the same — to make sure that every rupee has a legitimate trail. The Act's adaptability lies in its structure, which allows new financial products and sectors to be brought under its ambit when required.

2.5 The Enforcement Perspective under the Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal

The enforcement mechanism under the Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal brings together multiple agencies. The Directorate of Enforcement is responsible for investigation and prosecution, while the Financial Intelligence Unit collects and analyses information from reporting entities. This coordination ensures that both preventive and punitive measures move in sync.

From a practical viewpoint, the Act's scope includes:

- Identifying and freezing property linked to proceeds of crime
- Ensuring that financial institutions follow record maintenance and reporting norms
- Establishing liability for individuals and entities involved in concealment or conversion
- Providing a legal route for cross-border cooperation in money-laundering cases
- Giving appellate remedies through the Adjudicating Authority and Appellate Tribunal

The objective of the PMLA is not merely to punish, but to prevent. It brings financial discipline by forcing transparency and compliance across institutions. By making both intent and action accountable, the law protects the economy from the silent harm caused by undisclosed, unaccounted, and criminally derived money.

3. Key Definitions under the Prevention of Money Laundering Act, 2002

Every law begins with definitions that decide how it will be applied in practice, and the Prevention of Money Laundering Act, 2002 is no exception. The strength of this Act lies in how precisely it defines the terms connected to money laundering and financial transactions. These definitions set the boundaries for investigation, compliance, and prosecution. Without them, the law would have no clear

direction.

The Prevention of Money Laundering Act, 2002 Bare Act PDF uses these terms to make sure that enforcement agencies and financial entities work with the same understanding. Each definition carries legal weight, and even a small misinterpretation can alter the outcome of an investigation or trial.

3.1 Meaning of “Money Laundering” under the Prevention of Money Laundering Act, 2002 PDF Corrida Legal

The term “money laundering” forms the heart of the legislation. Under Section 3, it covers any direct or indirect attempt to conceal, possess, acquire, or use the proceeds of crime. The Prevention of Money Laundering Act, 2002 PDF Corrida Legal version explains that even helping someone in these activities, knowingly or otherwise, can bring a person under the scope of the Act.

What makes this definition important is its wide reach. It includes every stage of laundering — placement, layering, and integration. It allows the authorities to look not just at who committed the original offence, but also at who tried to clean the money that came from it.

Key elements of money laundering include:

- Concealing or disguising the nature of unlawfully obtained money
- Transferring funds to make them appear legitimate
- Holding property derived from criminal activities
- Participating or assisting in any process connected to these acts
- Attempting to use illicit wealth in the formal economy

3.2 Definition of “Proceeds of Crime” under the PMLA Act 2002 Executive Summary PDF

The PMLA Act 2002 Executive Summary PDF defines “proceeds of crime” as any property or value derived from criminal activity. It could be cash, land, shares, jewellery, or even intangible digital assets. This definition is intentionally broad so that no offender can escape liability by converting assets into another form or transferring them abroad.

The law makes it clear that proceeds of crime also include property that may not be directly obtained through the offence but represents the same value. For example, if an individual sells an illegally acquired asset and uses the money to buy another, the new asset still qualifies as proceeds of crime.

3.3 Understanding “Attachment of Property” through the Download PMLA Bare Act 2002 PDF

Attachment is the preventive measure that stops the accused from disposing of the suspected property during the investigation. The Download PMLA Bare Act 2002 PDF outlines how the Directorate of Enforcement can provisionally attach such property for 180 days. Once the Adjudicating Authority confirms it, the attachment continues until the case is decided.

This mechanism ensures that the property remains available for confiscation if the offence is proved. It is one of the most effective tools under the Act to ensure that the rewards of illegal activity cannot be enjoyed or hidden.

3.4 “Reporting Entity” and “Beneficial Owner” as explained in the Money Laundering Act India 2002 Summary and Key Provisions

Under the Money Laundering Act India 2002 Summary and Key Provisions, the term “reporting entity” includes banks, financial institutions, intermediaries, and any person carrying out designated business or profession. These entities are responsible for maintaining client records, verifying identities, and reporting suspicious transactions to the Financial Intelligence Unit.

The “beneficial owner” is the person who ultimately owns or controls a client or the person on whose behalf a transaction is conducted. Identifying the beneficial owner is critical because many money-laundering operations use layered structures or proxies to conceal ownership.

For reporting entities, key obligations include:

- Conducting due diligence before establishing a business relationship
- Maintaining records of all transactions above prescribed limits
- Reporting suspicious transactions within the time period specified by FIU-IND
- Ensuring that client data is preserved for at least five years after the business relationship ends

3.5 Legal Perspective under the Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal

The Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal highlights that these definitions are not just legal phrases; they form the operational structure of the Act. Each word has been drafted with intention, ensuring that both individuals and institutions understand where their responsibilities begin and end.

In real-world terms, these definitions create the framework for compliance. They give enforcement agencies the legal tools to investigate financial irregularities while offering businesses a clear understanding of how to avoid risk.

4. Powers and Functions under the Prevention of Money Laundering Act, 2002

When the Prevention of Money Laundering Act, 2002 was passed, it did not only define offences — it built an entire structure of authority. The Act gives real power to enforcement agencies, tribunals, and adjudicating bodies so that the law can be carried out effectively, not just debated on paper. Over the years, this structure has grown into one of the most significant enforcement mechanisms in India’s financial landscape.

The Prevention of Money Laundering Act, 2002 Bare Act PDF sets out how each institution functions. It explains who can attach property, who can arrest, who can issue summons, and who can confirm or reject an attachment. These details make the Act more than a statement of intent; they make it a working system.

4.1 Role of the Enforcement Directorate under the Prevention of Money Laundering Act, 2002 PDF Corrida Legal

The Enforcement Directorate, or ED, is at the heart of PMLA enforcement. The Prevention of Money Laundering Act, 2002 PDF Corrida Legal describes the ED as the primary investigating agency empowered to trace assets and prosecute those involved in laundering activities. Its officers can search, seize, and arrest if they have reason to believe that a person is involved in a money-laundering offence.

Their powers are wide but not unchecked. Every step they take — from issuing summons to freezing assets — must follow specific procedures. The ED's responsibility goes beyond investigation; it must ensure that property obtained through crime does not remain in circulation.

Main responsibilities of the ED include:

- Initiating investigation when a predicate offence is registered
- Tracing and identifying proceeds of crime across jurisdictions
- Provisionally attaching assets under Section 5 of the Act
- Filing prosecution complaints before the Special Court
- Coordinating with foreign authorities for cross-border cases

4.2 Powers of the Adjudicating Authority as explained in the PMLA Act 2002 Executive Summary PDF

The PMLA Act 2002 Executive Summary PDF explains the role of the Adjudicating Authority, which functions as a quasi-judicial body. Once the Enforcement Directorate attaches property, the case moves before this authority for confirmation. It examines whether the property in question is indeed linked to money laundering and whether the attachment should continue.

It has the power to summon witnesses, call for documents, and conduct hearings similar to a court. However, it also serves as a safeguard against arbitrary action, ensuring that attachments are based on evidence and legal grounds rather than speculation.

4.3 Understanding the Appellate Tribunal and its Role through the Download PMLA Bare Act 2002 PDF

The Appellate Tribunal is the next step in the process, as mentioned in the Download PMLA Bare Act 2002 PDF. If a person or entity is aggrieved by the decision of the Adjudicating Authority, they can appeal before this tribunal. It reviews the evidence, hears both sides, and has the power to modify, confirm, or set aside earlier orders.

The Tribunal's presence ensures that the enforcement system remains fair. It keeps the balance between administrative power and individual rights by providing a structured avenue for appeal.

4.4 Coordination among Regulatory Bodies under the Money Laundering Act India 2002 Summary and Key Provisions

Money laundering rarely exists in isolation. It often overlaps with violations under other laws — tax evasion, corporate fraud, or insider trading. The Money Laundering Act India 2002 Summary and Key Provisions explain how agencies like the Reserve Bank of India (RBI), the Securities and Exchange

Board of India (SEBI), and the Financial Intelligence Unit (FIU-IND) share information with the ED.

This network ensures that suspicious transactions can be tracked quickly. The FIU collects data from reporting entities and flags unusual activity, which can later lead to an ED investigation. Coordination between these agencies makes the Act far more effective than it would be if each worked separately.

4.5 Judicial Oversight and Rights under the Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal

The Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal also makes it clear that enforcement power cannot exist without oversight. While the ED and the Adjudicating Authority have strong powers, their actions remain subject to judicial scrutiny. Individuals have the right to be heard, to appeal, and to challenge procedural violations.

This balance of power and accountability is what gives the Act its credibility. It allows the government to act decisively against financial crimes while protecting the rule of law.

In practice, the PMLA's structure can be seen as a three-step model: the Enforcement Directorate investigates, the Adjudicating Authority decides, and the Tribunal reviews. Together, they form a system that ensures that economic offences are not only detected but are dealt with through a transparent and legally sound process.

These powers may appear strict, but they are necessary. Financial crimes operate in silence, and without authority to trace and seize assets swiftly, the damage they cause could easily go beyond recovery. The Act, therefore, functions as both a sword and a shield — a sword against illegal wealth, and a shield for the integrity of the nation's financial system.

5. Obligations of Reporting Entities under the Prevention of Money Laundering Act, 2002

The Prevention of Money Laundering Act, 2002 does not place the burden of enforcement only on government agencies. It also draws financial institutions, intermediaries, and professionals into the compliance circle. These organisations are referred to as reporting entities, and their role is as critical as that of the investigating authorities. The law expects them to act as the first line of defence against suspicious transactions before they become part of the larger system.

The Prevention of Money Laundering Act, 2002 Bare Act PDF clearly defines what a reporting entity must do to prevent and detect laundering activities. Their responsibility begins the moment a client relationship is formed and continues as long as transactions occur through them.

5.1 Responsibilities explained in the Prevention of Money Laundering Act, 2002 PDF Corrida Legal

According to the Prevention of Money Laundering Act, 2002 PDF Corrida Legal, every reporting entity has to identify its clients, verify their identities, and maintain detailed records of all financial transactions. This obligation goes beyond routine documentation — it forms the backbone of anti-money-laundering compliance.

The law requires them to be alert not only to large cash deposits but also to unusual patterns that could indicate layering or movement of illicit funds. What may appear as an ordinary transfer could, in

reality, be an attempt to disguise proceeds of crime.

Their primary duties include:

- Maintaining transaction records and ensuring they can be produced when required
- Conducting ongoing due diligence and updating client information regularly
- Reporting suspicious transactions to the Financial Intelligence Unit (FIU-IND)
- Preserving records for a minimum of five years after the relationship ends
- Ensuring that employees are trained to identify red flags in daily operations

5.2 Compliance Insights from the PMLA Act 2002 Executive Summary PDF

The PMLA Act 2002 Executive Summary PDF emphasises that compliance is not a one-time exercise but a continuous process. Reporting entities must build systems capable of detecting irregularities automatically and have compliance officers who can interpret warning signs correctly. The Act also expects these institutions to cooperate fully with enforcement agencies during investigations.

To make compliance more effective, the government has issued detailed rules under the PMLA, including the Maintenance of Records Rules, 2005. These rules specify what must be recorded, how long data must be retained, and the exact reporting format for suspicious transactions.

5.3 The Importance of Awareness through the Download PMLA Bare Act 2002 PDF

For many businesses, especially in the non-banking sector, awareness of these obligations often comes late. The Download PMLA Bare Act 2002 PDF has helped bridge that gap by offering clarity on what constitutes due diligence and what happens if it is ignored. Even professionals such as chartered accountants, lawyers, and real estate consultants fall within the scope when they handle high-value transactions on behalf of clients.

A few simple yet essential practices that reporting entities must follow include:

- Conducting risk-based assessments for new and existing clients
- Setting internal audit mechanisms for AML compliance
- Avoiding anonymity in business relationships
- Immediately reporting attempted transactions that appear suspicious
- Reviewing existing clients to ensure continued accuracy of records

5.4 How the Money Laundering Act India 2002 Summary and Key Provisions strengthen accountability

The Money Laundering Act India 2002 Summary and Key Provisions explain that the Act shifts a part of the responsibility from the regulator to the market participants themselves. By mandating internal reporting and verification, the law creates a preventive ecosystem instead of relying solely on punishment after the fact. It expects businesses to know their clients, question irregular behaviour, and build an environment where illegitimate funds cannot blend in unnoticed.

5.5 Interpretation under the Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal

The Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal also highlights the consequence of non-compliance. A reporting entity that fails to follow these obligations can face penalties, inspection, and in some cases, criminal proceedings. However, the intention of the Act is not to punish genuine error but to promote a culture of responsibility.

In practical terms, this means that every transaction, no matter how routine, carries a duty of scrutiny. Whether it is a large corporate bank or a small intermediary, the responsibility is shared. The goal is not just legal adherence but ethical participation in a financial system that values integrity over convenience.

By bringing reporting entities into the framework, the PMLA builds a partnership between law and commerce. It reminds businesses that protecting the financial system is not merely the government's task — it is everyone's.

6. Offences and Penalties under the Prevention of Money Laundering Act, 2002

The Prevention of Money Laundering Act, 2002 is not a law that stops at investigation. It goes a step further by defining what exactly qualifies as an offence and how those found guilty are to be punished. This is where the Act turns from a preventive tool into a firm instrument of accountability. Once the chain of laundering is traced and proved, the penalties are intended to ensure that no one can profit from money obtained through crime.

The Prevention of Money Laundering Act, 2002 Bare Act PDF provides detailed provisions on how offences are determined and what kind of consequences follow. Each section aims to create deterrence while also giving due importance to fairness and procedure.

6.1 Nature of Offences under the Prevention of Money Laundering Act, 2002 PDF Corrida Legal

Under the Prevention of Money Laundering Act, 2002 PDF Corrida Legal, an offence is considered complete when a person directly or indirectly attempts to conceal, possess, acquire, or use the proceeds of crime. Even helping another person in any of these acts can bring liability. Unlike general criminal laws, the PMLA focuses on the money itself — on tracing how it moved and where it finally landed.

Money laundering is treated as a continuing offence, meaning that as long as the person is in possession of the proceeds, the crime continues to exist. This approach allows the enforcement authorities to act at any stage, even years after the original offence.

The law recognises three broad stages of the offence:

- Placement – introducing illicit funds into the financial system
- Layering – disguising the origin through multiple transfers or investments
- Integration – reintroducing the money into the economy as legitimate wealth

Each stage can involve different people and different methods, but the outcome is the same:

converting illegal money into clean assets.

6.2 Punishments Described in the PMLA Act 2002 Executive Summary PDF

The PMLA Act 2002 Executive Summary PDF summarises the penalties under Section 4 of the Act. The punishment for money laundering includes rigorous imprisonment for a term that may extend to seven years, and in cases involving narcotics-related offences, up to ten years. There is also a provision for fines that can go as high as five lakh rupees or more, depending on the gravity of the case.

What makes the Act distinctive is that punishment does not end with imprisonment or fine. Property that represents proceeds of crime is confiscated by the government. This ensures that the offender cannot benefit, directly or indirectly, from the illegal gains.

6.3 Corporate Liability and Responsibility through the Download PMLA Bare Act 2002 PDF

The Download PMLA Bare Act 2002 PDF makes it clear that companies are not exempt from responsibility. If a business entity is found guilty, every person who was in charge of or responsible for its operations at the time of the offence can also be held liable. This includes directors, partners, and managers who had knowledge or control over the transaction in question.

However, the law also provides fairness — if such individuals can prove that the offence took place without their knowledge, or that they exercised due diligence to prevent it, they may be exempted from punishment. This provision strikes a balance between accountability and protection for honest officers.

6.4 Confiscation and Forfeiture as explained in the Money Laundering Act India 2002 Summary and Key Provisions

The Money Laundering Act India 2002 Summary and Key Provisions explain that confiscation is one of the most important features of the Act. Once a person is found guilty, all property involved in money laundering, whether in India or abroad, can be seized and transferred to the Central Government. This not only eliminates the financial incentive for crime but also ensures that such property does not return into circulation.

In many cases, confiscation extends to assets that may not have been directly involved but represent the same value as the proceeds of crime. This allows the authorities to act even if the original asset has been sold or converted.

6.5 Legal Safeguards and Judicial Oversight under the Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal

The Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal also highlights the procedural safeguards built into the law. Arrests and attachments must follow due process, and every accused person has the right to appeal before the Appellate Tribunal and later to the High Court. These checks ensure that the law is not misused and that enforcement remains guided by evidence.

Courts have also played a vital role in interpreting these provisions. In several cases, they have reiterated that while the Act gives significant powers to the Enforcement Directorate, those powers must be exercised within the limits of law and fairness.

7. Attachment, Adjudication, and Confiscation Process under the Prevention of Money Laundering Act, 2002

One of the most practical features of the Prevention of Money Laundering Act, 2002 is its clear process for tracing, attaching, and eventually confiscating property connected to illegal funds. This part of the law is not just technical; it forms the operational foundation of how the Act is enforced. Without these steps, the fight against money laundering would remain largely theoretical.

The Prevention of Money Laundering Act, 2002 Bare Act PDF explains this sequence in detail, beginning with provisional attachment, followed by adjudication, and finally confiscation. Each stage involves defined authorities and timelines, ensuring that action is taken quickly but fairly.

7.1 How Attachment Works under the Prevention of Money Laundering Act, 2002 PDF Corrida Legal

Attachment is the first and most critical step in the process. The Prevention of Money Laundering Act, 2002 PDF Corrida Legal version states that the Enforcement Directorate (ED) can attach any property if it has reason to believe that it represents proceeds of crime. This attachment is provisional, lasting for 180 days unless confirmed by the Adjudicating Authority.

The objective is to prevent the accused from transferring, concealing, or disposing of the property during investigation. Once attached, the property remains under the control of the authorities until the case reaches its conclusion.

The ED's power to attach comes with procedural obligations, including:

- Recording reasons for belief in writing before attachment
- Serving notice to the person holding the property
- Submitting the order to the Adjudicating Authority within the prescribed period
- Ensuring that the property is preserved and not misused

7.2 Role of the Adjudicating Authority under the PMLA Act 2002 Executive Summary PDF

The PMLA Act 2002 Executive Summary PDF highlights the central role of the Adjudicating Authority. Once the Enforcement Directorate attaches a property, the Authority examines whether there is enough material to prove that the asset is indeed connected to money laundering.

The Authority issues a notice to the concerned parties, calling for evidence and explanations. If, after hearing both sides, it finds that the property is derived from proceeds of crime, it confirms the attachment. Otherwise, the property must be released immediately.

This process acts as a legal checkpoint, ensuring that enforcement powers are not exercised arbitrarily. It gives the accused an opportunity to explain the source of the asset and present supporting documents.

7.3 Judicial Role of Special Courts as explained in the Download PMLA Bare Act 2002 PDF

The Download PMLA Bare Act 2002 PDF mentions that the prosecution for money laundering is

conducted before Special Courts designated under the Act. These courts have exclusive jurisdiction to try offences under PMLA. They can order confiscation of property once guilt is established.

The Special Courts also decide whether the attached property should be permanently taken over by the government. Their orders can later be challenged before the Appellate Tribunal or High Court. This layer of judicial oversight ensures that the process of taking possession of property remains transparent and fair.

7.4 Confiscation and Disposal as per the Money Laundering Act India 2002 Summary and Key Provisions

Confiscation is the final stage, where ownership of the property is transferred to the government. The Money Laundering Act India 2002 Summary and Key Provisions explain that confiscation can happen only after conviction. Once confirmed, all rights and interests in the property vest with the Central Government, free from any encumbrances.

The Act also authorises the government to manage or dispose of the confiscated assets. These provisions ensure that criminal proceeds do not return to circulation and that their value benefits the public exchequer.

Key steps in the confiscation process include:

- Confirmation of guilt by the Special Court
- Issuance of confiscation order for all involved property
- Transfer of ownership to the Central Government
- Disposal or auction through authorised agencies

7.5 Interpretation under the Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal

The Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal makes it clear that attachment and confiscation are preventive as well as corrective. They are preventive because they stop illegal property from changing hands; corrective because they take away the profits of crime. The law focuses not only on punishing individuals but also on removing the economic motive behind financial offences.

8. Enforcement Directorate and Its Role under the Prevention of Money Laundering Act, 2002

The Enforcement Directorate, commonly known as the ED, is the operational backbone of the Prevention of Money Laundering Act, 2002. While the Act defines offences and procedures, it is the ED that turns those provisions into real action. It investigates, attaches properties, files cases, and ensures that offenders face consequences. Over the years, the agency has grown into one of the most powerful instruments of financial enforcement in India.

The Prevention of Money Laundering Act, 2002 Bare Act PDF sets out the legal framework under which the ED functions. It gives officers the authority to summon individuals, demand records, carry out searches, and make arrests when evidence suggests involvement in laundering. However, the

same law also expects them to exercise these powers with responsibility and within the limits prescribed by the statute.

8.1 Powers of Investigation under the Prevention of Money Laundering Act, 2002 PDF Corrida Legal

Under the Prevention of Money Laundering Act, 2002 PDF Corrida Legal, the Enforcement Directorate has the power to investigate both individuals and entities suspected of laundering money. The investigation begins once a scheduled offence, known as a predicate offence, is reported by another agency such as the police, CBI, or any other law enforcement authority.

After registration, the ED traces the flow of funds, identifies the assets created from proceeds of crime, and analyses whether they have been layered or disguised through multiple transactions. If there is sufficient reason to believe that the assets are tainted, the ED can move to attach them provisionally.

The main investigation powers include:

- Issuing summons and requiring individuals to appear for questioning
- Examining witnesses and recording statements under oath
- Accessing and inspecting financial records, books of accounts, or digital data
- Conducting searches and seizures of premises where illegal proceeds may be kept
- Arresting persons found to be directly involved in laundering activities

8.2 Operational Process and Coordination explained in the PMLA Act 2002 Executive Summary PDF

According to the PMLA Act 2002 Executive Summary PDF, the ED's role does not stop with investigation. The agency also coordinates with other departments to ensure that money-laundering cases are handled comprehensively. It works closely with the Financial Intelligence Unit (FIU-IND), the Reserve Bank of India (RBI), SEBI, and income tax authorities to gather information and verify suspicious transactions.

In complex cases involving multiple jurisdictions, the ED also interacts with international enforcement agencies under treaties and bilateral agreements. This coordination allows it to trace funds that have moved outside India and to seek cooperation in recovering those assets.

8.3 Role of the Directorate in Attachment and Prosecution through the Download PMLA Bare Act 2002 PDF

The Download PMLA Bare Act 2002 PDF describes how the ED's functions extend into both civil and criminal proceedings. On the civil side, it attaches and seizes property; on the criminal side, it prosecutes the accused before the Special Court. After filing the prosecution complaint, the agency continues to assist the court by producing evidence, witnesses, and financial analysis.

The power to attach property comes with a responsibility to ensure that due process is followed. The ED must submit reports to the Adjudicating Authority and justify every attachment with proper

reasoning. This prevents misuse of power and protects the rights of individuals while allowing enforcement to move forward effectively.

8.4 Checks, Balances, and Judicial Supervision under the Money Laundering Act India 2002 Summary and Key Provisions

The Money Laundering Act India 2002 Summary and Key Provisions clarify that the ED's powers, although wide, are not absolute. Every attachment, seizure, or arrest is subject to review by the Adjudicating Authority, the Appellate Tribunal, and, ultimately, the High Courts. Judicial oversight acts as a safeguard against arbitrary action and ensures that investigations remain evidence-based.

This balance between authority and accountability makes the PMLA framework strong yet fair. The ED is empowered to act firmly, but its actions are continually open to legal scrutiny. This dual structure allows the law to function efficiently while maintaining constitutional principles.

8.5 Broader Impact under the Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal

The Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal makes it clear that the ED's work goes beyond individual prosecutions. Every case that it handles contributes to a larger goal — maintaining financial integrity and discouraging criminal use of legitimate systems. The agency's presence also compels institutions to strengthen internal compliance, as the fear of enforcement often works as a deterrent.

Through its consistent actions, the ED has brought money laundering into public awareness. It has shown that financial crimes, once hidden behind layers of transactions, can be uncovered through proper investigation. While its powers remain subject to checks, its contribution to maintaining the credibility of India's financial system is undeniable.

9. Appellate Remedies under the Prevention of Money Laundering Act, 2002

Every strong enforcement law must also provide a fair system of appeal. The Prevention of Money Laundering Act, 2002 is built on this principle. While it gives wide powers to investigating authorities, it also ensures that individuals and entities have the right to challenge any action taken against them. This is essential to preserve the balance between justice and enforcement.

The Prevention of Money Laundering Act, 2002 Bare Act PDF describes the appellate structure that begins with the Adjudicating Authority, extends to the Appellate Tribunal, and finally allows appeal to the High Court. Each level acts as a layer of review, so that decisions are examined carefully before they become final.

9.1 Appellate Process under the Prevention of Money Laundering Act, 2002 PDF Corrida Legal

Under the Prevention of Money Laundering Act, 2002 PDF Corrida Legal, any person aggrieved by an order of the Adjudicating Authority can approach the Appellate Tribunal within forty-five days. This right is available to both the Enforcement Directorate and the individual or business whose property has been attached.

The appeal must clearly state the grounds of challenge and be supported with evidence. The Tribunal

reviews whether the attachment or penalty was justified and whether proper procedure was followed. In doing so, it acts as a neutral forum that corrects administrative errors and protects the rights of affected parties.

9.2 Role of the Appellate Tribunal explained in the PMLA Act 2002 Executive Summary PDF

The PMLA Act 2002 Executive Summary PDF outlines that the Appellate Tribunal functions as an independent authority, much like a court. It has the power to summon witnesses, demand records, and evaluate the findings of the Adjudicating Authority.

It can confirm, modify, or set aside an order after hearing both sides. Its decisions are binding unless appealed further to the High Court. The Tribunal's work is vital because it ensures that the enforcement process does not become one-sided. For many professionals and businesses, this is the stage where they can demonstrate compliance or good faith that might have been overlooked earlier.

9.3 Appeal to the High Court through the Download PMLA Bare Act 2002 PDF

As stated in the Download PMLA Bare Act 2002 PDF, a further appeal can be made to the High Court within sixty days of the Tribunal's decision. The High Court examines questions of law and substantial procedural issues. Its rulings carry significant weight because they often shape how the provisions of the PMLA are interpreted in future cases.

The High Court's oversight maintains judicial discipline across the enforcement framework. It also ensures that penalties or confiscations imposed under the Act meet the tests of fairness and legality.

9.4 Practical Significance of Appellate Remedies under the Money Laundering Act India 2002 Summary and Key Provisions

The Money Laundering Act India 2002 Summary and Key Provisions explain that appellate remedies are not just formal steps but necessary safeguards. The appeal process provides a meaningful opportunity to correct mistakes and re-evaluate evidence. In matters involving complex financial transactions, this second look often brings clarity.

For example, a business may be able to show that a transaction suspected of being layered was in fact a legitimate transfer supported by documentation. Without the appellate framework, such clarification would be difficult to achieve.

Common grounds on which appeals are filed include:

- Procedural irregularities during attachment or confiscation
- Lack of evidence linking the property to proceeds of crime
- Misinterpretation of statutory provisions by lower authorities
- Excessive penalties or denial of opportunity to present defence

9.5 Judicial Oversight under the Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal

The Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal emphasises that appellate remedies are integral to upholding the rule of law. They create accountability within the

enforcement system by allowing review of every major decision. The hierarchy ensures that errors do not go unchecked and that both individuals and authorities are bound by law.

10. Recent Amendments and Notifications under the Prevention of Money Laundering Act, 2002

Laws that deal with financial crime cannot remain static, and the Prevention of Money Laundering Act, 2002 has evolved continuously to keep up with the changing economy and technology. Over the past decade, several amendments and notifications have reshaped how the law is applied, who falls under its scope, and what compliance now means for businesses. These updates have not only expanded the Act's reach but have also strengthened its enforcement capabilities.

The Prevention of Money Laundering Act, 2002 Bare Act PDF reflects these updates through revised definitions, broader powers, and new procedural safeguards. The purpose behind these amendments has always been the same — to make laundering harder, detection faster, and compliance more accountable.

10.1 Key Legislative Amendments under the Prevention of Money Laundering Act, 2002 PDF Corrida Legal

The Prevention of Money Laundering Act, 2002 PDF Corrida Legal notes that the most significant reforms came through the 2012, 2019, and 2023 amendments. Each one targeted a specific gap that criminals had begun exploiting.

The key highlights of these legislative changes include:

- Widening the definition of “proceeds of crime” to include property derived indirectly through layered or disguised transactions.
- Expanding the list of “scheduled offences” to bring corruption, tax evasion, and corporate fraud under the Act's coverage.
- Allowing attachment of equivalent assets located abroad if the original property is held outside India.
- Enhancing the authority of the Enforcement Directorate to issue summons and carry out searches based on recorded reasons.
- Introducing electronic records and digital signatures for filing and verification.

These amendments gave enforcement agencies a stronger foundation and made the law adaptable to the digital nature of modern transactions.

10.2 Developments Explained in the PMLA Act 2002 Executive Summary PDF

According to the PMLA Act 2002 Executive Summary PDF, recent notifications have shifted focus towards transparency in ownership and the use of technology in investigation. The amendments also placed greater obligations on reporting entities to verify clients more thoroughly and to maintain high standards of record accuracy.

In 2023, the government extended PMLA compliance to virtual digital asset service providers such as

cryptocurrency exchanges and wallet operators. This move recognised that new forms of value transfer needed to be brought under the same legal scrutiny as traditional banking.

The changes also made it mandatory for professionals such as company secretaries, accountants, and lawyers to report suspicious transactions when they handle client funds. This expansion reflects how laundering networks often move through multiple intermediaries before reaching the formal economy.

10.3 Notifications Highlighted in the Download PMLA Bare Act 2002 PDF

The Download PMLA Bare Act 2002 PDF provides detailed information about the official notifications that guide enforcement and compliance. These include procedural updates that make the Act more operationally efficient.

A few notable notifications are:

- Revised formats for suspicious transaction reporting to the Financial Intelligence Unit.
- Guidelines for seizure, preservation, and management of digital evidence.
- Simplified procedures for provisional attachment to prevent delay in urgent cases.
- Clarity on time limits for filing prosecution complaints and completing investigations.
- New compliance responsibilities for non-financial businesses, especially in real estate and jewellery sectors.

These steps demonstrate the government's intent to close the remaining gaps in financial monitoring and enforcement.

10.4 Judicial Endorsements and Policy Changes under the Money Laundering Act India 2002 Summary and Key Provisions

The Money Laundering Act India 2002 Summary and Key Provisions highlight how the judiciary has played an important role in interpreting recent amendments. In landmark judgments, courts have upheld the constitutionality of key provisions, reinforcing the ED's investigative powers while ensuring procedural fairness.

Recent policy decisions have also improved coordination between domestic regulators and international agencies. Information-sharing arrangements now enable faster action in cross-border cases. These align India's enforcement standards more closely with global norms under the Financial Action Task Force (FATF).

10.5 Continuing Reforms in the Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal

The Prevention of Money Laundering Act, 2002 Full Text PDF Corrida Legal now reflects a more mature version of the law — one that integrates technology, global cooperation, and transparency. The focus of recent reforms has been on tightening verification systems and expanding accountability.

Businesses and professionals are expected to adapt by upgrading internal compliance systems and understanding how these amendments affect day-to-day operations. As the financial system becomes

more interconnected, even a small compliance failure can invite investigation under the PMLA.

11. Conclusion

The Prevention of Money Laundering Act, 2002 stands today as one of India's most significant financial laws — a statute that bridges the gap between criminal justice and economic integrity. What began as a response to international commitments has evolved into a comprehensive domestic framework that influences how individuals, corporations, and financial institutions handle money. It reminds every participant in the economy that accountability and transparency are not optional but essential for trust in the system.

The Prevention of Money Laundering Act, 2002 Bare Act PDF captures the evolution of this law from a narrow anti-crime measure to a broad policy instrument. Its reach now extends across banking, investment, corporate governance, and even the digital economy. By addressing both the source and movement of illicit money, the Act ensures that the benefits of criminal activity cannot find safe passage into legitimate markets.

For professionals and compliance officers, the Prevention of Money Laundering Act, 2002 PDF Corrida Legal serves as a practical guide to understanding how enforcement, adjudication, and appeal come together under one structure. It also highlights the responsibility of every reporting entity to recognise and report suspicious financial behaviour before it escalates into a legal violation.

The PMLA Act 2002 Executive Summary PDF explains this balance clearly — the law gives strong powers to authorities, but it also builds safeguards that protect fairness. It does not rely solely on punishment but on prevention through transparency, due diligence, and consistent reporting.