

THE PREVENTION OF MONEY-LAUNDERING ACT, 2002

ARRANGEMENT OF SECTIONS

CHAPTER I

PRELIMINARY

SECTIONS

1. Short title, extent and commencement.
2. Definitions.

CHAPTER II

OFFENCE OF MONEY-LAUNDERING

3. Offence of money-laundering.
4. Punishment for money-laundering.

CHAPTER III

ATTACHMENT, ADJUDICATION AND CONFISCATION

5. Attachment of property involved in money-laundering.
6. Adjudicating Authorities, composition, powers, etc.
7. Staff of Adjudicating Authorities.
8. Adjudication.
9. Vesting of property in Central Government.
10. Management of properties confiscated under this Chapter.
11. Power regarding summons, production of documents and evidence, etc.
- 11A. Verification of identity by reporting entity.

CHAPTER IV

OBLIGATIONS OF BANKING COMPANIES, FINANCIAL INSTITUTIONS AND INTERMEDIARIES

12. Reporting entity to maintain records.
- 12A. Access to information.
- 12AA. Enhanced due diligence.
13. Powers of Director to impose fine.
14. No civil or criminal proceedings against reporting entity, its directors and employees in certain cases.
15. Procedure and manner of furnishing information by reporting entities.

CHAPTER V

SUMMONS, SEARCHES AND SEIZURES, ETC.

SECTIONS

16. Power of survey.
17. Search and seizure.
18. Search of persons.
19. Power to arrest.
20. Retention of property.
21. Retention of records.
22. Presumption as to records or property in certain cases.
23. Presumption in inter-connected transactions.
24. Burden of proof.

CHAPTER VI

APPELLATE TRIBUNAL

25. Appellate Tribunal.
26. Appeal to Appellate Tribunal.
27. [*Omitted.*].
28. [*Omitted.*].
29. [*Omitted.*].
30. [*Omitted.*].
31. [*Omitted.*].
32. [*Omitted.*].
33. [*Omitted.*].
34. [*Omitted.*].
35. Procedure and powers of Appellate Tribunal.
36. Distribution of business amongst Benches.
37. Power of Chairperson to transfer cases.
38. Decision to be by majority.
39. Right of appellant to take assistance of authorised representative and of Government to appoint presenting officers.
40. Members, etc., to be public servants.
41. Civil court not to have jurisdiction.
42. Appeal to High Court.

CHAPTER VII

SPECIAL COURTS

43. Special Courts.
44. Offences triable by Special Courts.

SECTIONS

45. Offences to be cognizable and non-bailable.
46. Application of Code of Criminal Procedure, 1973 to proceedings before Special Court.
47. Appeal and revision.

CHAPTER VIII

AUTHORITIES

48. Authorities under Act.
49. Appointment and powers of authorities and other officers.
50. Powers of authorities regarding summons, production of documents and to give evidence, etc.
51. Jurisdiction of authorities.
52. Power of Central Government to issue directions, etc.
53. Empowerment of certain officers.
54. Certain officers to assist in inquiry etc.

CHAPTER IX

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

55. Definitions.
56. Agreements with foreign countries.
57. Letter of request to a contracting State in certain cases.
58. Assistance to a contracting State in certain cases.
- 58A. Special Court to release the property.
- 58B. Letter of request of a contracting State or authority for confiscation or release the property.
59. Reciprocal arrangements for processes and assistance for transfer of accused persons.
60. Attachment, seizure and confiscation, etc., of property in a contracting State or India.
61. Procedure in respect of letter of request.

CHAPTER X

MISCELLANEOUS

62. Punishment for vexatious search.
63. Punishment for false information or failure to give information, etc.
64. Cognizance of offences.
65. Code of Criminal Procedure, 1973 to apply.
66. Disclosure of information.
67. Bar of suits in civil courts.
68. Notice, etc., not to be invalid on certain grounds.
69. Recovery of fine or penalty.
70. Offences by companies.
71. Act to have overriding effect.

SECTIONS

- 72. Continuation of proceedings in the event of death or insolvency.
- 72A. Inter-ministerial Co-ordination Committee.
- 73. Power to make rules.
- 74. Rules to be laid before Parliament.
- 75. Power to remove difficulties.

THE SCHEDULE.

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).