

MBA SEM I - SUB MB104 AFA/UNITS

DATE OF CLASS : 16 JUNE 2021

TIME : 11:05 AM to 12:05 PM

TOPIC : PREVENTION OF MONEY LAUNDERING ACT

Money Laundering is a common problem all over the world. The legalization of crime revenues has many damages and negative effects. FINANCIAL CRIMES ~~are~~ cause the administrative order to deteriorate and economic ability will deteriorate.

Govt. have taken specific measures from the past to prevent money laundering. The purpose of these measure is to prevent financial crimes and ensure the administrative and economic stability of the country.

India is among the high risk area for ML. So the Indian Government needs to take anti Money Laundering (AML) measure together with their developing economics. The ~~Indian~~ government of India aim to protect its country from ML risks through laws and legal mechanisms.

India enacted the Prevention of money laundering Act in 2002. This act has entered into force to combat money laundering and to prevent money laundering. In addition, India is among the countries that are members of FATF. FATF is a global organization established to prevent money laundering all over the world. By publishing AML guidelines, FATF aims for countries to fight financial crime more effectively. The FATF (Financial Action Task Force) member states' AML regimes must comply with FATF recommendations.

Prevention of Money Laundering 2002

This act is only prevention for ML & give right to seize the property earn by illegal activity.

Title — (Citation)	Act No 15 of 2003
Enacted by	Parliament of India
ENACTED	17 Jan 2003
Assented to	17 Jan 2003
Commenced	1 July 2005

This act was amended in the year 2005, 2009, and 2012

The Act and Rules notified there under impose obligations on banks & Co. financial institutions & intermediaries to verify identity of clients, maintain records and furnish information in prescribed form to Financial Intelligence Unit — India (FIU-IND)

OFFENCE OF MONEY LAUNDERING

~~THE~~
Sec 3

Who so ever or 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 proceeds of crime and proceeds it as untainted property shall be guilty of offence of money laundering.

Punishment for money laundering

Sec 4 whoever commits the offence of ML shall be punishable with rigorous imprisonment for a term which shall not be less than 3 years but which may extend to 7 years and shall also be liable to fine which may extend to ₹5 lakh.