

PREVENTION OF MONEY LAUNDERING ACT

The Prevention of Money Laundering Act, 2002 (PMLA) forms the core of the legal framework put in place by India to combat money laundering. PMLA and the Rules notified there under came into force with effect from July 1, 2005. Director, FIU-IND and Director (Enforcement) have been conferred with exclusive and concurrent powers under relevant sections of the Act to implement the provisions of the Act.

The PMLA and rules notified there under impose obligation on banking companies, financial institutions, and intermediaries and persons carrying on a designated business or profession, to verify identity of clients, maintain records and furnish information to FIU-IND. PMLA is 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.