

**PUBLISHED IN THE GAZETTE OF INDIA (EXTRAORDINARY),
PART-II SECTION 3, SUB SECTION (i)**

**Government of India
Ministry of Finance
Department of Revenue**

**New Delhi, the 1st July, 2005
Asadha 10, 1927 (SAKA)**

NOTIFICATION

G.S.R.No.436(E).- In exercise of the powers conferred by sub-section (3) of section 1 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby appoints the 1st day of July, 2005, as the date on which all the provisions of the said Act shall come into force.

F.No.6/2/2005-E.S.

(V.P.Arora)
Under Secretary to the Govt. of India

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**Government of India
Ministry of Finance
Department of Revenue**

**New Delhi, the 1st July, 2005
Asadha 10, 1927 (SAKA)**

NOTIFICATION

G.S.R.No.437 (E).- In exercise of the powers conferred by clause (d) of sub-section (5) of section 6 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby specifies that the New Delhi Bench of the Adjudicating Authority appointed under sub-section (1) of section 6 of the said Act shall exercise jurisdiction, powers and authority conferred by or under the said Act over the whole of India.

F.No.6/2/2005-E.S.

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**New Delhi, the 1st July, 2005
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NOTIFICATION

G.S.R.No.438 (E).- In exercise of the powers conferred by section 25 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby establishes an Appellate Tribunal at New Delhi to hear appeals against the orders of the Adjudicating Authority and the authorities under the said Act.

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**Government of India
Ministry of Finance
Department of Revenue**

**New Delhi, the 1st July, 2005
Asadha 10, 1927 (SAKA)**

NOTIFICATION

G.S.R.No.439 (E).- In exercise of the powers conferred by sub-section (1) of section 49 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby appoints, with effect from the 1st day of July, 2005, the Director, Financial Intelligence Unit, India, under the Ministry of Finance, Department of Revenue, as the Director to exercise the exclusive powers conferred under clause (b) of sub-section (1) of section 12 and its proviso, section 13, sub-section (2) of section 26 and sub-section (1) of section 50 of the said Act and the said Director, Financial Intelligence Unit, India, shall also concurrently exercise powers conferred by sub-section (3) and sub-section (5) of section 26, section 39, section 40, section 41, section 42, section 48, sub-section (2) of section 49, section 66 and section 69 of the afore-said Act.

F.No.6/2/2005-E.S.

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**Government of India
Ministry of Finance
Department of Revenue**

**New Delhi, the 1st July, 2005
Asadha 10, 1927 (SAKA)**

NOTIFICATION

G.S.R. 440(E).- In exercise of the powers conferred by sub-section(1) of section 49 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby appoints, with effect from the 1st day of July, 2005, the Director of Enforcement holding office immediately before the said date under the Foreign Exchange Management Act, 1999 (42 of 1999), as the Director to exercise the exclusive powers conferred under section 5, section 8, section 16, section 17, section 18, section 19, section 20, section 21, sub-section (1) of section 26, section 45, section 50, section 57, section 60, section 62 and section 63 of the said Act and the said Director shall also concurrently exercise powers conferred by sub-section (3), sub-section (4) and sub-section (5) of section 26, section 39, section 40, section 41, section 42, section 48, section 49, section 66 and section 69 of the afore-said Act.

F.No.6/2/2005-E.S.

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Under Secretary to the Govt. of India

**PUBLISHED IN THE GAZETTE OF INDIA (EXTRAORDINARY),
PART-II SECTION 3, SUB SECTION (i)**

**Government of India
Ministry of Finance
Department of Revenue**

**New Delhi, the 1st July, 2005
Asadha 10, 1927 (SAKA)**

NOTIFICATION

G.S.R.No.441(E).- In exercise of the powers conferred by sub-section (1) of section 6 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby appoints an Adjudicating Authority to exercise jurisdiction, powers and authority conferred by or under the said Act. The Adjudicating Authority shall consist of a Chairperson and two Members and shall function within the Department of Revenue, Ministry of Finance of the Central Government with Headquarters at New Delhi.

F.No.6/2/2005-E.S.

(V.P.Arora)
Under Secretary to the Govt. of India

**Published in Part II, Section 3, sub-section (i)
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**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)**

NOTIFICATION

New Delhi, dated the 1st July, 2005

GSR 442(E). - In exercise of the powers conferred by sub-section (1) read with clause (b) and clause (l) of sub-section(2) of section 73 of the Prevention of Money- laundering Act, 2002 (15 of 2003), the Central Government hereby makes the following rules relating to the manner of forwarding a copy of the order of provisional attachment of property along with the material, and the copy of the reasons along with the material in respect of survey, to the Adjudicating Authority and its period of retention by the Adjudicating Authority, namely:-

1. Short title and commencement. – (1) These rules may be called the Prevention of Money-laundering (the Manner of forwarding a copy of the Order of Provisional Attachment of Property along with the Material, and copy of the Reasons along with the Material in respect of Survey, to the Adjudicating Authority and its period of Retention) Rules, 2005.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions. – (1) In these rules, unless the context otherwise requires,—

“Act” means the Prevention of Money-laundering Act, 2002 (15 of 2003);

“authorised officer” means any officer not below the rank of Deputy Director authorised by the Director for the purposes of section 5 of the Act;

“authority” means an authority notified from among the classes of authorities specified in section 48 of the Act;

“designated officer” means an officer designated by the Adjudicating Authority for the purpose of sub-rule (1) of rule 4;

“Form” means forms appended to these rules;

“material” for the purposes of sub-section (1) of section 5 of the Act means any material in possession of the Director or the authorised officer, as the case may be, on the basis of which he has recorded reasons including –

- (i) a report forwarded to a Magistrate under section 173 of the Code of Criminal Procedure, 1973 (2 of 1974) in relation to an offence under paragraph 1 of Part A and Part B of the Schedule; or
 - (ii) a police report or a complaint filed for taking cognizance of an offence by the Special Court constituted under sub-section (1) of section 36 of the Narcotic Drugs and Psychotropic Substance Act, 1985 (61 of 1985) in relation to an offence under paragraph 2 of Part A of the Schedule;
- (g) “material” for the purposes of sub-section (1) of section 16 of the Act means any material in possession of the authority on the basis of which it has recorded reasons;
- (h) “place” means a place where an act constituting the commission of the offence of money-laundering is carried on and includes 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, falling within the limits of the area assigned to an authority or in respect of which an authority has been authorised by such other authority who is assigned the area under clause (i) or clause (ii) of sub-section (1) of section 16 of the Act respectively;
- (i) “records” include the records maintained in the form of books or stored in a computer or tapes or discs or in any other electronic form or transcribed information of any type whether expressed in ordinary or machine language and such other documents as may be useful for the purposes of these rules;
- (j) “Schedule” means the Schedule to the Act;
- (k) “section” means a section of the Act.
- (2) All other words and expressions used and not defined in these rules but defined in the Act shall have the meaning respectively assigned to them in the Act.

- 3. Manner of forwarding a copy of the order of provisional attachment of property along with the material under sub-section (2) of section 5 of the Act, to the Adjudicating Authority.** – (1) The Director or the authorised officer, as the case may be, shall prepare an index of a copy of the order, and the material and sign each page of such index, order and the material and shall also write a letter while forwarding such index, order and the material to the Adjudicating Authority in a sealed envelope.
- (2) The Director or the authorised officer, as the case may be, shall place an acknowledgement slip in Form-I appended to these rules inside the envelope before sealing it.
 - (3) The Director or the authorised officer, as the case may be, shall indicate a reference number and date of despatch on the sealed envelope.
 - (4) The sealed envelope shall be marked “Confidential” and “To be opened by the addressee only”, the complete address of the Adjudicating Authority including his name, shall be mentioned on the sealed envelope with official seal.
 - (5) The Director or the authorised officer, as the case may be, shall place the sealed envelope inside an outer envelope along with an acknowledgement slip in Form-III appended to these rules.
 - (6) The outer envelope shall be sealed and the complete address of the Adjudicating Authority shall be mentioned on the sealed outer envelope.
 - (7) The Director or the authorised officer, as the case may be, shall maintain registers and other records such as acknowledgement slip register, dak register for the purposes of this rule and shall ensure that necessary entries are made in the register immediately as soon as a copy of the order along with the material are forwarded to the Adjudicating Authority.
- 4. Manner of forwarding a copy of the reasons along with the material in respect of survey under sub-section (2) of section 16 of the Act, to the Adjudicating Authority.** – (1) The authority shall prepare an index of a copy of the reasons and the material in respect of survey and sign each page of such index, reasons and the material and shall also write a letter while forwarding such index, reasons and the material to the Adjudicating Authority in a sealed envelope.
- (2) The authority shall place an acknowledgement slip in Form-II appended to these rules inside the envelope before sealing it.

- (3) The authority shall indicate a reference number and date of despatch on the sealed envelope.
- (4) The sealed envelope shall be marked "Confidential" and "To be opened by the addressee only", the complete address of the Adjudicating Authority including his name, shall be mentioned on the sealed envelope with official seal.
- (5) The authority shall place the sealed envelope inside an outer envelope along with an acknowledgement slip in Form-III appended to these rules.
- (6) The outer envelope shall be sealed and the complete address of the Adjudicating Authority shall be mentioned on the sealed outer envelope.
- (7) The authority shall maintain registers and other records such as acknowledgement slip register, dak register for the purposes of this rule and shall ensure that necessary entries are made in the register immediately as soon as a copy of the reasons along with the material in respect of survey are forwarded to the Adjudicating Authority.

5. Acknowledgement of receipt of a copy of the order of provisional attachment of property and the material and a copy of the reasons and the material in respect of survey by the Adjudicating Authority.-

- (1) On receipt of the outer sealed envelope along with Form-II, the Adjudicating Authority or in his absence, the designated officer of the office of Adjudicating Authority, shall forward Form-II duly filled in, signed and his name legibly written below his signature. The seal of the office of the Adjudicating Authority shall be affixed before forwarding Form-II to the Director or the authorized officer or the authority, as the case may be, as a token of receipt of the sealed envelope.
- (2) The Adjudicating Authority shall, on opening of the sealed envelope, forward Form-I duly filled in, signed and his name legibly written below his signature. The seal of the office of the Adjudicating Authority shall be affixed before forwarding of Form-I to the Director or the authorized officer or the authority, as the case may be, as a token of receipt of the copy of the order of provisional attachment of property along with the material and a copy of the reasons along with the material in respect of survey.
- (3) Adjudicating Authority shall maintain registers and other records such as acknowledgement slip register, dak register and register showing details of receipt of a copy of the order of the Director or the authorized officer or the authority, as the case may be, along with the

material for the purposes of this rule and shall ensure that necessary entries are made in the registers immediately on receipt of such order and the material and reasons and the material in respect of survey.

6. Period of retention of a copy of the order of provisional attachment of property and the material and a copy of the reasons and the material in respect of survey by the Adjudicating Authority. –

The Adjudicating Authority shall retain a copy of the order of provisional attachment of property and the material and a copy of the reasons and the material for a period of ten years, or, if before the expiry of the said period of ten years, –

- (i) any proceedings under section 8 of the Act have been commenced, until the disposal of such proceedings; or
- (ii) where an appeal has been preferred to the Appellate Tribunal under section 26 of the Act, until the disposal of such appeal by the Appellate Tribunal; or
- (iii) where an appeal has been filed in the High Court under section 42 of the Act, until the disposal of such appeal by the High Court;

whichever is later.

7. Interpretation. – If any question arises relating to the interpretation of these rules, the matter shall be referred to the Central Government and the decision of the Central Government shall be final.

FORM-I

[See sub-rule (2) of rule 3]

ACKNOWLEDGEMENT SLIP

Serial Number

Received a copy of the provisional Attachment Order bearing number dated along with the material containing pages from the Director/the authorized officer on at [date]

.....
[time]

[Signature of the Adjudicating Authority]

Date :

.....
[Name of the Adjudicating Authority]

[Office seal]

To

[Director or the authorised officer]

Address _____

FORM-II

[See sub-rule (2) of rule 4]

ACKNOWLEDGEMENT SLIP

Serial Number

Received a copy of letter No. dated
along with the reasons and the material containing pages from the
..... on at
[designation of the authority from whom received] [date] [time]

[Signature of the Adjudicating Authority]

Date :

.....
[Name of the Adjudicating Authority]

[Office seal]

To

[Authority]

Address _____

FORM-III

[See sub-rule (5) of rule 3 and sub-rule (5) of rule 4]

ACKNOWLEDGEMENT SLIP

Serial Number

Received a sealed envelope bearing No.
dated..... from

[Director or the authorized officer or the authority from whom
received as the case may be]

on at.....
[date] [time]

Signature of the Adjudicating
Authority/designated officer
of the office of Adjudicating
Authority.

.....
Name of the Adjudicating
Authority/designated officer
of the office of Adjudicating
Authority.

[Office seal)]

To

[Director or the authorised officer
or the authority as the case may be]

Address : _____

F.No. 6/2/2004-E.S.

(RAKESH SINGH)
JOINT SECRETARY

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**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)**

NOTIFICATION

New Delhi, dated the 1st July, 2005

GSR.443(E).- In exercise of the powers conferred by sub-section (1) read with clause (f) of sub-section (2) of section 73 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby makes the following rules for receipt and management of confiscated properties, namely :-

1. **Short title and commencement.** – (1) These rules may be called the Prevention of Money-laundering (Receipt and Management of Confiscated Properties) Rules, 2005 .

(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions.** – (1) In these rules, unless the context otherwise requires,—
 - (a) “Act” means the Prevention of Money-laundering Act, 2002 (15 of 2003);
 - (b) “Adjudicating Authority” means an Adjudicating Authority appointed under sub-section (1) of section 6 of the Act;
 - (c) “Administrator” means an officer appointed by the Central Government under sub-section (1) of section 10 of the Act;
 - (d) “attachment” means prohibition of transfer, conversion, disposition or movement of property by an order issued under Chapter III of the Act;
 - (e) “Form” means forms appended to these rules;
 - (f) “order” means an order made by the Adjudicating Authority under sub-section (6) of section 8 of the Act;
 - (g) “section” means a section of the Act.
(2) All other words and expressions used and not defined in these rules but defined in the Act, shall have the meaning respectively assigned to them in the Act.

3. **Receipt of confiscated property.** – The Administrator shall, at the time of receiving the confiscated properties, ensure proper identification of such property with reference to its particulars mentioned in the order confiscating such property.
4. **Management of confiscated property.** – (1) Where the property confiscated is of such a nature that its removal from the place of attachment is impracticable or its removal involves expenditure out of proportion to the value of the property, the Administrator shall arrange for the proper maintenance and custody of the property at the place of attachment.
 - (2) If the property confiscated consists of cash, Government or other securities, bullion, jewellery or other valuables, the Administrator shall cause to deposit them for safe custody in the nearest Government Treasury or a branch of the Reserve Bank of India or State Bank of India or its subsidiaries or of any authorized bank.
 - (3) The Administrator shall maintain a register containing the details in Form I for recording entries in respect of moveable property, such as cash, Government or other securities, bullion, jewellery or other valuables.
 - (4) The Administrator shall obtain a receipt from the Treasury or the bank, as the case may be, against the deposit of moveable properties stated in sub-rule (3) of this rule.
 - (5) The Administrator shall maintain a register containing the details in Form II for recording entries in respect of property other than the properties referred to in sub-rule (3) of this rule.
5. **Assistance to the Administrator.** – The Central Government may provide from time to time such members of staff and other persons as it thinks fit to assist the Administrator in exercise of his powers and performance of duties under these rules.
6. **Interpretation.** – If any question arises relating to the interpretation of these rules, the matter shall be referred to the Central Government and the decision of the Central Government shall be final.

FORM I

[See sub rule (3) of rule 4]

Management of Confiscated Property (Moveable) Register.

1. Order number :
2. Date of receipt of properties :
3. Description of properties (quantity, amount, estimated value) :
4. Name(s) and address(es) of the accused :
5. Name and address of the Treasury or bank where the properties are deposited for safe custody :
6. Date and time of deposit of confiscated properties in the Treasury or bank :
7. Receipt number with date of the receipt obtained from the Treasury or bank:
8. Remarks of the Administrator :

(Signature of the Administrator.)

Name and designation of the
Administrator.

Date :

FORM II

[See sub-rule (5) of rule 4]

Management of Confiscated Property (Immoveable) Register.

1. Order Number :
2. Date of receipt of properties :
3. Description of properties :
(In case of land : area, survey number, plot number, location and complete address. In case of building : house number, location and complete address) :
4. Name(s) and address(es) of the accused :
5. Remarks of the Administrator:

(Signature of the Administrator.)

Name and designation of the Administrator.

Date :

F.No. 6/2/2004-E.S.

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**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)**

NOTIFICATION

New Delhi, dated the 1st July, 2005

GSR.444(E).- In exercise of the powers conferred by sub-section (1) read with clause (h), clause (i), clause (j) and clause (k) of sub-section (2) of section 73 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government in consultation with the Reserve Bank of India, hereby makes the following rules for maintenance of records of the nature and value of transactions, the procedure and manner of maintaining and time for furnishing of information and verification of records of the identity of the clients of the banking companies, financial institutions and intermediaries, namely:-

- 1. Short title and commencement.** – (1) These rules may be called the Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005.

(2) They shall come into force on the date of their publication in the Official Gazette.
- 2. Definitions.** – (1) In these rules, unless the context otherwise requires, -
 - (a) “Act” means the Prevention of Money-laundering Act, 2002 (15 of 2003);
 - (b) “client” means a person that engages in a financial transaction or activity with a banking company, or financial institution or intermediary and includes a person on whose behalf the person that engages in the transaction or activity, is acting;
 - (c) “Director” means the Director appointed under sub-section (1) of section 49 of the Act for the purposes of sections 12 and 13 of the Act;
 - (d) “officially valid document” means the passport, the driving licence, the Permanent Account Number (PAN) Card, the Voter’s Identity Card issued by the Election Commission of India or any other document as may be required by the banking company, or financial institution or intermediary;

- (e) “prescribed value” means the value of transaction prescribed under these rules;
 - (f) “Principal Officer” means an officer designated by a banking company, financial institution and intermediary, as the case may be;
 - (g) “suspicious transaction” means a transaction whether or not made in cash which, to a person acting in good faith –
 - (a) gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime; or
 - (b) appears to be made in circumstances of unusual or unjustified complexity; or
 - (c) appears to have no economic rationale or bonafide purpose;
 - (h) “transaction” includes deposit, withdrawal, exchange or transfer of funds in whatever currency, whether in cash or by cheque, payment order or other instruments or by electronic or other non-physical means.
- (2) All other words and expressions used and not defined in these rules but defined in the Act shall have the meaning respectively assigned to them in the Act.

3. Maintenance of records of transactions (nature and value). –

- (1) Every banking company or financial institution or intermediary, as the case may be, shall maintain a record of, –
- (A) all cash transactions of the value of more than rupees ten lakhs or its equivalent in foreign currency;
 - (B) all series of cash transactions integrally connected to each other which have been valued below rupees ten lakhs or its equivalent in foreign currency where such series of transactions have taken place within a month;
 - (C) all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place;
 - (D) all suspicious transactions whether or not made in cash and by way of :

- (i) deposits and credits, withdrawals into or from any accounts in whatsoever name they are referred to in any currency maintained by way of :
 - (a) cheques including third party cheques, pay orders, demand drafts, cashiers cheques or any other instrument of payment of money including electronic receipts or credits and electronic payments or debits, or
 - (b) travellers cheques, or
 - (c) transfer from one account within the same banking company, financial institution and intermediary, as the case may be, including from or to Nostro and Vostro accounts, or
 - (d) any other mode in whatsoever name it is referred to;
- (ii) credits or debits into or from any non-monetary accounts such as d-mat account, security account in any currency maintained by the banking company, financial institution and intermediary, as the case may be;
- (iii) money transfer or remittances in favour of own clients or non-clients from India or abroad and to third party beneficiaries in India or abroad including transactions on its own account in any currency by any of the following:-
 - (a) payment orders, or
 - (b) cashiers cheques, or
 - (c) demand drafts, or
 - (d) telegraphic or wire transfers or electronic remittances or transfers, or
 - (e) internet transfers, or
 - (f) Automated Clearing House remittances, or
 - (g) lock box driven transfers or remittances, or
 - (h) remittances for credit or loading to electronic cards, or
 - (i) any other mode of money transfer by whatsoever name it is called;
- (iv) loans and advances including credit or loan substitutes, investments and contingent liability by way of:

- (a) subscription to debt instruments such as commercial paper, certificate of deposits, preferential shares, debentures, securitised participation, inter bank participation or any other investments in securities or the like in whatever form and name it is referred to, or
- (b) purchase and negotiation of bills, cheques and other instruments, or
- (c) foreign exchange contracts, currency, interest rate and commodity and any other derivative instrument in whatsoever name it is called, or
- (d) letters of credit, standby letters of credit, guarantees, comfort letters, solvency certificates and any other instrument for settlement and/or credit support;
- (v) collection services in any currency by way of collection of bills, cheques, instruments or any other mode of collection in whatsoever name it is referred to.

4. Records containing Information – The records referred to in rule 3 shall contain the following information:-

- (a) the nature of the transactions;
- (b) the amount of the transaction and the currency in which it was denominated;
- (c) the date on which the transaction was conducted; and
- (d) the parties to the transaction.

5. Procedure and manner of maintaining information. – (1) Every banking company, financial institution and intermediary, as the case may be, shall maintain information in respect of transactions with its client referred to in rule 3 in hard and soft copies in accordance with the procedure and manner as may be specified by the Reserve Bank of India or the Securities and Exchange Board of India, as the case may be, from time to time.

- (2) Every banking company, financial institution and intermediary, shall evolve an internal mechanism for maintaining such information in

such form and at such intervals as may be specified by the Reserve Bank of India, or the Securities and Exchange Board of India, as the case may be, from time to time.

- (3) It shall be the duty of every banking company, financial institution and intermediary, as the case may be, to observe the procedure and the manner of maintaining information as specified by the Reserve Bank of India or the Securities and Exchange Board of India, as the case may be, under sub-rule (1).

6. Retention of records – The records referred to in rule 3 shall be maintained for a period of ten years from the date of cessation of the transactions between the client and the banking company, financial institution or intermediary, as the case may be.

7. Procedure and manner of furnishing information. – (1) Every banking company, financial institution and intermediary, as the case may be, shall communicate the name, designation and address of the Principal Officer to the Director.

- (2) The Principal Officer shall furnish the information referred to in rule 3 to the Director on the basis of information available with the banking company, financial institution and intermediary, as the case may be. A copy of such information shall be retained by the Principal Officer for the purposes of official record.

- (3) Every banking company, financial institution and intermediary may evolve an internal mechanism for furnishing information referred to in rule 3 in such form and at such intervals as may be directed by the Reserve Bank of India or the Securities and Exchange Board of India, as the case may be.

- (4) It shall be the duty of every banking company, financial institution and intermediary to observe the procedure and the manner of furnishing information referred to in rule 3 as specified by the Reserve Bank of India and the Securities and Exchange Board of India under sub-rule (3), as the case may be.

8. Furnishing of information to the Director. – The Principal Officer of a banking company, the financial institution and intermediary, as the case may be, shall furnish the information in respect of transactions referred to in rule 3 every month to the Director by the 7th day of the succeeding month other than transactions referred to in clauses (C) and (D) of sub-rule (1) of rule 3:

Provided that information in respect of transactions referred to in clauses (C) and (D) of sub-rule (1) of rule 3 shall be promptly

furnished in writing or by way of fax or electronic mail to the Director not later than three working days from the date of occurrence of such transactions.

- 9. Verification of the records of the identity of clients.** – (1) Every banking company, financial institution and intermediary, as the case may be, shall, at the time of opening an account or executing any transaction with it, verify and maintain the record of identity and current address or addresses including permanent address or addresses of the client, the nature of business of the client and his financial status;

Provided that where it is not possible to verify the identity of the client at the time of opening an account or executing any transaction, the banking company, financial institution and intermediary, as the case may be, shall verify the identity of the client within a reasonable time after the account has been opened or the transaction has been executed.

- (2) Where the client is an individual, he shall for the purpose of sub-rule (1) submit to the banking company or the financial institution or the intermediary, as the case may be, one certified copy of an officially valid document containing details of his permanent address or addresses, current address or addresses, and one copy of his recent photograph and such other documents including in respect of the nature of business and financial status of the client as may be required by the banking company or the financial institution or the intermediary, as the case may be.
- (3) Where the client is a company, it shall for the purposes of sub-rule (1) submit to the banking company or financial institution or intermediary, as the case may be, three certified copies of the following documents :
- (i) Certificate of incorporation;
 - (ii) Memorandum and Articles of Association;
 - (iii) a resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf; and
 - (iv) an officially valid document in respect of managers, officers or employees holding an attorney to transact on its behalf.
- (4) Where the client is a partnership firm, it shall for the purposes of sub-rule (1) submit to the banking company, or the financial institution, or the intermediary three certified copies of the following documents:
- (i) registration certificate;
 - (ii) partnership deed; and

- (iii) an officially valid document in respect of the person holding an attorney to transact on its behalf.
 - (5) Where the client is a trust, it shall, for the purposes of sub-rule (1) submit to the banking company, or the financial institution, or the intermediary three certified copies of the following documents:
 - (i) registration certificate;
 - (ii) trust deed; and
 - (iii) an officially valid document in respect of the person holding an attorney to transact on its behalf.
 - (6) Where the client is an unincorporated association or a body of individuals, it shall submit to the banking company, or the financial institution or the intermediary three copies of the following documents:
 - (i) resolution of the managing body of such association or body of individuals;
 - (ii) power of attorney granted to him to transact on its behalf;
 - (iii) an officially valid document in respect of the person holding an attorney to transact on its behalf; and
 - (iv) such information as may be required by the banking company or the financial institution or the intermediary to collectively establish the legal existence of such an association or body of individuals.
 - (7) Every banking company, financial institution and intermediary, as the case may be, shall formulate and implement a client identification programme which shall incorporate the requirements of the foregoing sub-rules of this rule, and such other additional requirements that it considers appropriate to enable it to determine the true identity of its clients. A copy of the client identification programme shall be forwarded to the Director.
- 10. Maintenance of the records of the identity of clients. –** (1) Every banking company or financial institution or intermediary, as the case may be, shall maintain the records of the identity of its clients.
- (2) The records of the identity of clients shall be maintained in hard and soft copies in a manner as may be specified by the Reserve Bank of India from time to time.

- (3) The records of the identity of clients shall be maintained for a period of ten years from the date of cessation of the transactions between the client and the banking company or financial institution or intermediary, as the case may be.

11. Interpretation. - If any question arises relating to the interpretation of these rules, the matter shall be referred to the Central Government and the decision of the Central Government shall be final.

F.No. 6/2/2004-E.S.

**(RAKESH SINGH)
JOINT SECRETARY**

[To be published in Part II, Section 3, sub-section (i)
of the Gazette of India Extraordinary]

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)**

NOTIFICATION

New Delhi, dated the 1st July, 2005

GSR.445(E).- In exercise of the powers conferred by sub-section (1) read with clause (a), clause (m), clause (n), clause (o) and clause (w) of sub-section (2), of section 73 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby makes the following rules relating to the Forms, search and seizure and the manner of forwarding a copy of the reasons and the material relating to search and seizure and search of person to the Adjudicating Authority, impounding and custody of records and the period of retention thereof, namely:-

1. **Short title and commencement.** – (1) These rules may be called the Prevention of Money-laundering (Forms, Search and Seizure and the Manner of Forwarding the Reasons and Material to the Adjudicating Authority, Impounding and Custody of Records and the Period of Retention) Rules, 2005.

(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions** – (1) In these rules, unless the context otherwise requires, –
 - (a) “Act” means the Prevention of Money-laundering Act, 2002 (15 of 2003);
 - (b) “Adjudicating Authority” means an Adjudicating Authority appointed under sub-section (1) of section 6 of the Act;
 - (c) “authority” for the purposes of sub-section (2) of section 17 of the Act means an officer subordinate to the Director and authorised by the Director under sub-section (1) of section 17 of the Act;
 - (d) “authority” for the purposes of sub-section (1) of section 18 of the Act means an authority from among the classes of authorities specified in section 48 of the Act, authorized by the Central Government by general or special order;
 - (e) “designated officer” means the officer designated by the Adjudicating Authority for the purpose of sub-rule (1) of rule 10;

- (f) “Director” for the purpose of sub-section (1) of section 17 of the Act means the Director appointed under sub-section (1) of section 49 of the Act;
- (g) “Director” or “Additional Director” or “Joint Director” or “Deputy Director” or “Assistant Director” for the purpose of sub-section (5) of section 50 of the Act, means a Director or Additional Director or Joint Director or Deputy Director or Assistant Director appointed by the Central Government under sub-section (1) of section 49 of the Act;
- (h) “Form” means forms appended to these rules;
- (i) “impounding authority” for the purpose of sub-section (5) of section 50 of the Act, means the Director or Additional Director or Joint Director or Deputy Director or Assistant Director appointed by the Central Government under sub-section (1) of section 49 of the Act;
- (j) “material” for the purpose of sub-section (2) of section 17 of the Act means the material in possession of the authority referred to in clause (d) of sub-rule (1) of rule 2, after search and seizure, under sub-section (1) of section 17 of the Act, including –
 - (i) a report forwarded to a Magistrate under section 173 of the Code of Criminal Procedure, 1973 (2 of 1974) in relation to an offence under paragraph 1 of Part A and Part B of the Schedule; or
 - (ii) a police report or a complaint filed for taking cognizance of an offence by the Special Court constituted under sub-section(1) of section 36 of the Narcotic Drugs and Psychotropic Substances Act, 1985 (61 of 1985) in relation to an offence under paragraph 2 of Part A of the Schedule;
- (k) “material” for the purpose of sub-section (2) of section 18 of the Act means the material in possession of the authority referred to in clause (e) of sub-rule (1) of rule 2, after search and seizure, under sub-section (1) of section 18 of the Act, including –
 - (i) a report forwarded to a Magistrate under section 173 of the Code of Criminal Procedure, 1973 (2 of 1974) in relation to an offence under paragraph 1 of Part A or paragraph 1 or paragraph 2 or paragraph 3 or paragraph 4 or paragraph 5 of Part B of the Schedule; or

- (ii) a police report or a complaint filed for taking cognizance of an offence by the Special Court constituted under sub-section(1) of section 36 of the Narcotic Drugs and Psychotropic Substances Act, 1985 (61 of 1985) in relation to an offence under paragraph 2 of Part A of the Schedule;
 - (l) “place” means a place, where an act which constitutes the commission of the offence of money-laundering is carried on and includes 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;
 - (m) “records” include the records maintained in the form of books or stored in a computer or tapes or discs or in any other electronic form or transcribed information of any type whether expressed in ordinary or machine language and such other documents as may be useful for the purposes of these rules;
 - (n) “Schedule” means the Schedule to the Act;
 - (o) “section” means a section of the Act.
 - (p) “Summoning Officer” means an officer who has the power to summon any person under sub-section (2) of section 50 of the Act.
- (2) All other words and expressions used and not defined in these rules but defined in the Act shall have the meaning respectively assigned to them in the Act.
- 3. Procedure relating to search . –** (1) The Director may authorize any officer subordinate to him for the purposes of sub-section (1) of section 17 of the Act and such authorization shall be in Form I appended to these rules.
- (2) The authority referred to in clause (c) of sub-rule (1) of rule 2, shall be empowered 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 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.

Provided that no search under sub-section (1) of section 17 of the Act shall be conducted, unless -

- (a) in relation to an offence under paragraph 1 of Part A and Part B of the Schedule, a report under section 173 of the Code of Criminal Procedure, 1973 (2 of 1974) has been forwarded to a Magistrate; or
 - (b) in relation to an offence under paragraph 2 of Part A of the Schedule, a police report or a complaint has been filed for taking cognizance of an offence by the Special Court constituted under sub-section(1) of section 36 of the Narcotic Drugs and Psychotropic Substances Act, 1985 (61 of 1985);
- (3) Before making a search, the authority, shall-
- (a) where a building or place is to be searched, call upon two or more respectable persons of that locality in which the building or place to be searched is situated; and
 - (b) where a vessel, vehicle or aircraft is to be searched, call upon any two or more respectable persons, to attend and witness the search and may issue an order in writing to them or any of them so to do.

- (4) Any person in charge of, or, in any building, place, vessel, vehicle or aircraft shall, on production of the authorisation, allow the authority free ingress thereto and afford all reasonable facilities for search therein.
- (5) If ingress into such building or place cannot be obtained, it shall be lawful for the authority executing the authorisation, with such assistance of police officers or of such other officers as specified in section 54 of the Act, as may be required, to enter such building or place and search therein and in order to effect an entrance into such building or place, to break open any lock of any door or window of any building or place, whether that of the person to be searched or of any other person, if after production of authorisation and demand of admittance duly made, he cannot otherwise obtain admittance:

Provided that, if any such building or place is an apartment in actual occupancy of a woman, who according to custom does not appear in public, the authority shall before entering such apartment, give notice to such woman that she is at liberty to withdraw and shall afford her every reasonable facility for withdrawing and may then break open the apartment and enter it.

- (6) If ingress into any vessel, vehicle or aircraft authorized to be searched cannot be obtained because such vessel, vehicle or aircraft is moving or for any other reason, it shall be lawful for the authority executing the authorisation, with such assistance as may be required of police officers and such officers, as specified in section 54 of the Act, to stop any such vessel or vehicle or in the case of an aircraft, compel it to stop or land, and search any part of the vessel, vehicle or aircraft, and in order to effect an entrance into such vessel, vehicle or aircraft to break open any door or window of any such vessel, vehicle or aircraft, whether that of the person to be searched or of any other person, if after production of the authorisation and demand of admittance duly made, he cannot otherwise obtain admittance :

Provided that if any such vessel, vehicle or aircraft is occupied by a woman, who according to custom does not appear in public, the authority shall, before entering such vessel, vehicle or aircraft, give notice to such woman that she is at liberty to withdraw and shall afford her every reasonable facility for withdrawing and may then break open the door of any vessel, vehicle or aircraft and enter it.

- (7) The authority may require any person who, is the owner, or has the immediate possession, or control, of any box, locker, safe, almirah or any other receptacle situated in such building, place, vessel, vehicle or aircraft, to open the same and allow access to inspect or examine its contents, and, where the keys thereof are not

available or where such person fails to comply with any such requirement, may break open the lock of such box, locker, safe, almirah or other receptacle which the authority may deem necessary for carrying out all or any of the purposes specified by the Director in this behalf.

- (8) The occupant of the building, place, vessel, vehicle or aircraft searched, including the person in charge of such vessel, vehicle or aircraft, or some person on his behalf, shall be permitted to attend during the search.

4. **Procedure relating to seizure.** – (1) The authority may seize any record or property found as a result of search of any building, place, vessel, vehicle or aircraft:

Provided that where it is not practicable to seize any record or property, the authority may serve an order on the owner or the person who is in immediate possession or control of any such record of property that he shall not remove, part with or otherwise deal with it except with the previous permission of the authority, who may take such steps as may be necessary for ensuring such compliance.

- (2) The authority shall prepare a seizure memo (inventory of items) in Form II appended to these rules which shall be delivered to the occupant of the building, place, vessel, vehicle or aircraft searched, including the person in charge of such vessel, vehicle or aircraft, or some person on his behalf and the authority shall also forward a copy of the inventory so prepared to the Director and the Adjudicating Authority.
- (3) The authority shall place or cause to be placed the records of properties including bullion, jewellery and other valuable articles and things seized during the search in a package which shall contain the details of the bullion, jewellery and other valuable article and things placed therein, such packages shall bear an identification mark and the seal of the authority, and the occupant of such building, place, vehicle or aircraft, including the person in charge of such vessel, vehicle or aircraft searched or any other person on his behalf shall also be permitted to place his seal on packages.
- (4) A copy of the list prepared in accordance with sub-rule (3) shall be delivered to the occupant of the building, place, vehicle or aircraft, including the person in charge of such vessel, vehicle or aircraft searched or any other person on his behalf and the authority shall also forward a copy thereof to the Director and the Adjudicating Authority.

5. Applicability of the provisions of the Code of Criminal Procedure, 1973. – 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 the Act relating to search and seizure.

6. Impounding of records. – (1) The impounding authority may impound any records produced before him in any proceedings under the Act :

Provided that where the impounding authority is a Deputy Director or an Assistant Director, he shall not impound any records without recording his reasons in writing, and shall immediately forward such reasons to the Director.

(2) If the impounding authority requires assistance of police or officers of the Central Government, or both, it shall be lawful for him to seek such assistance as necessary under section 54 of the Act while impounding any records under sub-section (5) of section 50 of the Act.

(3) The impounding authority, other than the Director, shall prepare an inventory of impounded records in triplicate. Where the impounding authority is the Director, he shall prepare such inventory in duplicate.

(4) Each page of an inventory of records shall be signed by the impounding authority and the person from whom records have been impounded. In case where the person from whom records have been impounded refuses to sign, the impounding authority shall record such refusal therein.

(5) The impounding authority other than the Director shall give one copy of such inventory to the person from whom records have been impounded and shall forward immediately one copy to the Director while retaining one copy with him. Where the impounding authority is the Director, he shall give one copy of such inventory to the person from whom records have been impounded and shall retain one copy with him.

(6) The impounding authority other than the Director may, after obtaining the previous approval of the Director in writing, return any records impounded under this rule, to the person from whom records were impounded if such records are no longer useful and relevant for any proceedings under this Act.

7. Custody of records. – Any records impounded by the impounding authority under sub-section (5) of section 50 of the Act may be retained in his custody:

Provided that where the impounding authority is a Deputy Director or an Assistant Director he shall not retain in his custody any such records

for a period exceeding three months, without obtaining the previous approval of the Director in writing.

- 8. Manner of forwarding of a copy of the reasons and the material relating to search and seizure under sub-section (2) of section 17 of the Act and search of persons under sub-section (2) of section 18 of the Act to the Adjudicating Authority.** – (1) The authority, as the case may be, shall prepare an index of a copy of the reasons recorded along with the material in his possession and sign each page of such index and shall also write a letter while forwarding copy of reasons and material to the Adjudicating Authority in a sealed envelope.
- (2) The authority, as the case may be, shall place an acknowledgement slip in Form-III appended to these rules inside the envelope before sealing it.
 - (3) The authority, as the case may be, shall indicate a reference number and date of despatch on the sealed envelope.
 - (4) The sealed envelope shall be marked “Confidential” and “To be opened by the addressee only” and the complete address of the Adjudicating Authority including his name shall be mentioned on the sealed envelope with official seal.
 - (5) The authority, as the case may be, shall place the sealed envelope inside the outer envelope, and shall place an acknowledgement slip in Form-IV appended to these rules.
 - (6) The outer envelope shall be sealed and marked “Confidential”. Complete address of the Adjudicating Authority shall be mentioned on the sealed outer envelope.
 - (7) The authority, as the case may be, shall maintain registers and other records such as acknowledgement slip register, dak register for the purposes of this rule and shall ensure that necessary entries are made in the register immediately as soon as a copy of the reasons along with the material are forwarded to the Adjudicating Authority.
- 9. Acknowledgement of receipt of a copy of the reasons and the material relating to search and seizure and search of person by the Adjudicating Authority.** – (1) On receipt of the outer sealed envelope along with Form-IV, the Adjudicating Authority or in his absence, the designated officer of the office of Adjudicating Authority shall forward Form-IV duly filled in, signed and his name legibly written below his signature. The seal of the office of the Adjudicating Authority shall be affixed before forwarding Form-IV to the authority as a token of receipt of the sealed envelope.

- (2) The Adjudicating Authority shall, on opening of the sealed envelope, forward Form-III duly filled in, signed and his name legibly written below his signature. The seal of the office of the Adjudicating Authority shall be affixed before forwarding of Form-III to the authority as a token of receipt of a copy of the reasons and the material.
- (3) The Adjudicating Authority shall maintain registers and other records such as acknowledgement slip register, dak register and register showing details of receipt of a copy of the reasons recorded along with the material for the purposes of this rule and shall ensure that necessary entries are made in the register immediately on receipt of such copy of the reasons and the material.

10. Period of retention of copy of the reasons and the material relating to search and seizure and search of persons by the Adjudicating Authority. – (1) The Adjudicating Authority shall retain copy of the

reasons and the material relating to search and seizure and search of persons for a period of ten years or if, before the expiry of the said period of ten years, –

- (i) any proceedings under section 8 of the Act have been commenced, until the disposal of such proceedings, or
- (ii) where an appeal has been preferred to the Appellate Tribunal under section 26 of the Act, until the disposal of such appeal by the Appellate Tribunal, or
- (iii) where an appeal has been filed in the High Court under section 42 of the Act, until the disposal of such appeal by the High Court;

whichever is later.

11. Forms of records. – The Summoning Officer shall, while exercising powers under sub-sections (2) and (3) of section 50 of the Act, issue summons in Form-V appended to these rules.

12. Interpretation. – If any question arises relating to the interpretation of these rules, the matter shall be referred to the Central Government and the decision of the Central Government shall be final.

FORM I

[See sub-rule (1) of rule 3]

**AUTHORISATION FOR SEARCH AND SEIZURE
UNDER SUB-SECTION (1) OF SECTION 17 OF THE ACT**

Authorisation Number ... of
[year]

Dated

WHEREAS I, Director, have reason to believe that
[name and complete address of the person]

- (i) has committed an act which constitutes money-laundering, or
- (ii) is in possession of proceeds of crime involved in money-laundering,
or
- (iii) is in possession of records relating to money-laundering, and

certain documents including proceeds of crime and/or records relating to money-laundering, which in my opinion, will be useful for or relevant to the investigation and proceedings under the Prevention of Money-laundering Act, 2002 (15 of 2003) are secreted in the premises specified in the Schedule below.

I hereby authorise
[Name and designation of the authority]

to conduct the search and seizure of the premises specified in Schedule below, under sub-section (1) of section 17 of the Prevention of Money-laundering Act, 2002 (15 of 2003) and rule 3 of the Prevention of Money-laundering (Forms, Search and Seizure and the Manner of Forwarding the Reasons and Material to the Adjudicating Authority, Impounding and Custody of Records and the Period of Retention) Rules, 2005.

Given under my hand and seal this day of two thousand

Schedule of premises :

[Director]
[Signature with Seal]



FORM II

[See sub-rule (2) of rule 4]

SEIZURE MEMO (INVENTORY OF ITEMS)

Dated

From to
[time] [time]

Panch Witnesses :

1.
[name with complete address]

2.
[name with complete address]

We, the above named panchas having been called upon by Shri
.....
[name, designation and complete address of Officer]
have presented ourselves at.....
.....
[complete address of the premises]

Here we were shown an authorisation dated issued by Shri
..... under section 17 of the
[name, designation and complete address of the Director]
Prevention of Money-laundering Act, 2002 (15 of 2003) authorising Shri
.....to conduct search
[name, designation and complete address of the officer authorized by the Director]
and seizure of the above mentioned premises. We as well as Shri
..... put our dated signatures on the

[name of the occupier of the premises]
authorisation in token of having seen the same. Before the actual start of search
and after the conclusion of search by Shri

[name, designation and complete address of the authority]
and the accompanying officers viz Sarvashri/Shri/Shrimati.....
..... offered
their personal search which was declined/taken by
Sarvashri/Shri/Shrimati.....
[the occupier of the premises]

on both the occasions in our presence. The search started at
.....hours on and concluded athours
on.....As a result of search
.....were checked and
[specify proceeds of crime or records]

verified and inventory prepared or recovered and seized as per details given in the Schedule below. The search was conducted in a peaceful and orderly manner and no damage to the person or property was caused during the course of search.

[Signature]
Authority

[Seal]

SCHEDULE

[Inventory of items recovered and seized]

Panch Witnesses :

1.
[signature with date]
2.
[signature with date]

.....
[signature of the person searched]

(Authority)
Signature with Seal

(Received copy)
[signature of the person searched]

NOTE :-

Each page of the seizure memo is to be signed and dated by the Panch Witnesses, the person searched and the Authority.

-13-
FORM-III
[See sub-rule (2) of rule 8]

ACKNOWLEDGEMENT SLIP

Serial Number

Received a copy of the letter bearing Number..... dated
..... along with the reasons and the material containing
pages.....from..... on.....at.....
[designation of the authority] [date] [time]

[Signature of the Adjudicating Authority]

Date :

.....
[Name of the Adjudicating Authority]

[Office seal]

To

[Name and designation of the authority]

Address_____

FORM-IV

[See sub-rule (5) of rule 8]

ACKNOWLEDGEMENT SLIP

Serial Number

Received a sealed envelope bearing number.....

Dated..... from
[designation of the authority]

on at.....
[date] [time]

Signature of the Adjudicating
Authority/designated officer
of the office of Adjudicating
Authority.

.....
Name of the Adjudicating
Authority/designated officer
of the office of Adjudicating
Authority.

[Office seal)]

To

[Name and designation of the authority]

Address _____

FORM V

[See rule 11]

FORM FOR SUMMONS

.....
.....
.....

[ADDRESS OF THE SUMMONING OFFICER]

No.

WHEREAS I Director or Additional Director or Joint Director or Deputy Director or Assistant Director, am making investigation under the provisions of the Prevention of Money-laundering Act, 2002 (15 of 2003).

AND WHEREAS, I consider the attendance of necessary in connection with the [name of the person summoned and his address] said investigations.

NOW, THEREFORE, in exercise of the powers conferred upon me under sub-section (2) and sub-section (3) of section 50 of the said Act, I require the said [name of the person summoned and his address]

to appear before me at my office on at alongwith the documents as per schedule below:-

SCHEDULE

Given under my hand and seal this day of two thousand

Summoning Officer
[Name and complete address]
[Seal]

To

.....
.....
.....

[Name of the person summoned and his address]

Note:

1. Every proceeding under sub-section (2) and sub-section (3) of section 50 of the Prevention of Money-laundering Act, 2002 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).
2. Without prejudice to the provisions of any other law for the time being in force, if you fail to give evidence as mentioned in the schedule, you shall be liable to penal proceedings under the Prevention of Money-laundering Act, 2002 (15 of 2003).

F.No. 6/2/2004-E.S.

(RAKESH SINGH)
JOINT SECRETARY

Published in Part II, Section 3, sub-section (i)
of the Gazette of India, Extraordinary

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

NOTIFICATION

New Delhi, dated the 1st July, 2005

GSR 446(E).- In exercise of the powers conferred by sub-section (1) read with clause (a), clause (p) of sub-section (2) of section 73 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby makes the following rules relating to the Forms, the manner of forwarding a copy of the order of arrest of a person along with the material to the Adjudicating Authority and the period of retention thereof by the Adjudicating Authority, namely:-

1. Short title and commencement. – (1) These rules may be called the Prevention of Money-laundering (the Forms and the Manner of Forwarding a Copy of Order of Arrest of a Person along with the Material to the Adjudicating Authority and its period of Retention) Rules, 2005.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions. – (1) In these rules, unless the context otherwise requires, –

“Act” means the Prevention of Money-laundering Act, 2002 (15 of 2003);

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

“Arresting Officer” means the Director, Deputy Director, Assistant Director or any other officer, authorized in this behalf by the Central Government by general or special order to exercise the power to arrest any person under sub-section (1) of section 19 of the Act;

“designated officer” means the officer designated by the Adjudicating Authority for the purpose of sub-rule(1) of rule 4;

“Director” or “Deputy Director” or “Assistant Director” means a Director or a Deputy Director or an Assistant Director, as

the case may be, appointed under sub-section (1) of section 49 of the Act;

“Form” means forms appended to these rules;

“material” means any information or material in the possession of the Director or Deputy Director or Assistant Director or any authorised officer, as the case may be, on the basis of which he has recorded reasons under sub-section (1) of section 19 of the Act;

“order” means the order of arrest of a person and includes the grounds for such arrest under sub-section (1) of section 19 of the Act;

“section” means a section of the Act.

- (2) All other words and expressions used and not defined in these rules but defined in the Act shall have the meaning respectively assigned to them in the Act.

3. Manner of forwarding a copy of the order of arrest and the material to the Adjudicating Authority. – (1)The Arresting Officer shall prepare an

index of the copy of the order and the material in possession and sign each page of such index of the copy of the order and the material and shall also write a letter while forwarding such index, order and the material to the Adjudicating Authority in a sealed envelope.

- (2) The Arresting Officer shall place an acknowledgement slip in Form-I appended to these rules inside the envelope before sealing it.
- (3) The Arresting Officer shall indicate a reference number and date of despatch on the sealed envelope.
- (4) The sealed envelope shall be marked “Confidential” and “To be opened by the addressee only”, the complete address of the Adjudicating Authority including his name shall be mentioned on the sealed envelope with the official seal.
- (5) The Arresting Officer shall place the sealed envelope inside an outer envelope, along with an acknowledgement slip in Form-II appended to these rules.

- (6) The outer envelope shall be sealed and complete address of the Adjudicating Authority shall be mentioned on the sealed outer envelope.
- (7) The Arresting Officer shall maintain registers and other records such as acknowledgement slip register, dak register for the purposes of this rule and shall ensure that necessary entries are made in the register immediately as soon the copy of the order and the material are forwarded to the Adjudicating Authority.

- 4. Acknowledgement of receipt of the copy of the order of arrest and the material by the Adjudicating Authority.** – (1) On receipt of the outer sealed envelope along with Form-II, the Adjudicating Authority or in his absence, the designated officer of the office of Adjudicating Authority shall forward Form-II duly filled in, signed and his name legibly written below his signature. The seal of the office of the Adjudicating Authority shall be affixed before forwarding the Form-II to the Arresting Officer as a token of receipt of the sealed envelope.
- (2) The Adjudicating Authority shall, on opening of the sealed envelope, forward Form-I duly filled in, signed and his name legibly written below his signature. The seal of the office of the Adjudicating Authority shall be affixed before forwarding the Form-I to the Arresting Officer as a token of receipt of the copy of order of the arrest and the material.
 - (3) The Adjudicating Authority shall maintain registers and other records such as acknowledgement slip register, dak register, and register showing details of receipt of the copy of the order of the arrest along with the material for the purposes of this rule and shall ensure that necessary entries are made in the registers immediately on receipt of such order and the material.
- 5. Period of retention of a copy of the order of arrest and the material by the Adjudicating Authority.** – The Adjudicating Authority shall retain the copy of order of the arrest and the material for a period of ten years, or, if before the expiry of the said period of ten years, –
- (j) any proceedings under section 8 of the Act have been commenced, until the disposal of such proceedings; or
 - (ii) where an appeal has been preferred to the Appellate Tribunal under section 26 of the Act, until the disposal of such appeal by the Appellate Tribunal; or
 - (iii) where an appeal has been filed in the High Court under section 42 of the Act, until the disposal of such appeal by the High Court;
- Whichever is later.

6. **Forms of records.-** The Arresting Officer while exercising powers under sub-section (1) of Section 19 of the Act shall sign the Arrest Order in Form-III appended to these Rules.
7. **Interpretation. –** If any question arises relating to the interpretation of these rules, the matter shall be referred to the Central Government and the decision of the Central Government shall be final.

FORM-I

[See sub-rule (2) of rule 3]

ACKNOWLEDGEMENT SLIP

Serial Number

Received a copy of the order of arrest of.....
[Name of the person arrested]
bearing No.dated
from the Director/Deputy Director/Assistant Director/authorized officer on
..... at

[date] [time]

[Signature of the Adjudicating Authority]

Date :

.....
[Name of the Adjudicating Authority]

[Office seal]

To

[Arresting Officer]

Address : _____

FORM-II

[See sub-rule (5) of rule 3]

ACKNOWLEDGEMENT SLIP

Serial Number

Received a sealed envelope bearing No. dated.....
from the Director/Deputy Director/Assistant Director/authorized officer on
..... at.....
[date] [time]

Signature of the Adjudicating
Authority/designated officer
of the office of Adjudicating
Authority.

.....
Name of the Adjudicating
Authority/designated officer
of the office of Adjudicating
Authority.

[Office seal)]

To

[Arresting Officer]

Address : _____

FORM III

[See rule 6]

ARREST ORDER

WHEREAS, I, Director/Deputy Director/ Assistant Director/Officer authorised in this behalf by the Central Government, have reason to believe that..... resident of
[name of the person arrested]

has been guilty of an offence punishable under the provisions of the Prevention of Money-laundering Act, 2002 (15 of 2003);

NOW, THEREFORE, in exercise of the powers conferred on me under sub-section (1) of section 19 of the Prevention of Money-laundering Act, 2002 (15 of 2003), I hereby arrest the said
[name of the person arrested]

at..... hours on and he has been informed of the grounds for such arrest.

Dated at on this day of Two thousand

Arresting Officer
[Signature with Seal]

To
.....
.....

[Name and complete address of the person arrested]

F.No. 6/2/2004-E.S.

**(RAKESH SINGH)
JOINT SECRETARY**

Published in Part II, Section 3, sub-section (i)
of the Gazette of India, Extraordinary

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

NOTIFICATION

New Delhi, dated the 1st July, 2005

GSR.447 (E).- In exercise of the powers conferred by sub-section (1) and clause (x) of sub-section (2) of section 73 read with sub-section (2) of section 20 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby makes the following rules relating to the manner of forwarding a copy of the order of retention of seized property along with the material to the Adjudicating Authority and its period of retention by the Adjudicating Authority, namely:-

1. **Short title and commencement.** – (1) These rules may be called the Prevention of Money-laundering (the Manner of Forwarding a Copy of the Order of Retention of Seized Property along with the Material to the Adjudicating Authority and the period of its Retention) Rules, 2005.

(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions.** – (1) In these rules, unless the context otherwise requires, –
 - (a) “Act” means the Prevention of Money-laundering Act, 2002 (15 of 2003);
 - (b) “Adjudicating Authority” means an Adjudicating Authority appointed under sub-section (1) of section 6 of the Act;
 - (c) “authorised officer” means an officer authorised by the Director under sub-section (1) of section 20 of the Act;
 - (d) “designated officer” means an officer designated by the Adjudicating Authority for the purpose of sub-rule (1) of rule 4;
 - (e) “Form” means Forms appended to these rules;

- (f) “material” means any material in the possession of the authorized officer on the basis of which he has recorded reasons under subsection (1) of section 20 of the Act including –
 - (i) a report forwarded to the Magistrate under section 173 of the Code of Criminal Procedure, 1973 (2 of 1974) in relation to an offence under paragraph 1 of Part A, or paragraph 1 or paragraph 2 or paragraph 3 or paragraph 4 or paragraph 5 of Part B, of the Schedule; or
 - (ii) a police report or a complaint filed for taking cognizance of an offence by the Special Court constituted under subsection (1) of section 36 of the Narcotic Drugs and Psychotropic Substance Act, 1985 (61 of 1985) in relation to an offence under paragraph 2 of Part A of the Schedule;
 - (g) “order” means the order for retention of the property for the purposes of adjudication;
 - (h) “seized property” means any property seized under section 17 or section 18 of the Act;
 - (i) “Schedule” means the Schedule to the Act;
 - (j) “section” means a section of the Act.
- (2) All other words and expressions used and not defined in these rules but defined in the Act shall have the meaning respectively assigned to them in the Act.

3. Manner of forwarding the copy of the order of retention of seized property along with the material to the Adjudicating Authority. – (1)

- The authorised officer shall prepare the index of the copy of the order of retention of the seized property and the material and sign each page of such index of the copy of the order and the material and shall also write a letter while forwarding such index of the copy of the order and the material to the Adjudicating Authority in a sealed envelope.
- (2) The authorised officer shall place an acknowledgement slip in Form-I appended to these rules inside the envelope before sealing it.
 - (3) The authorised officer shall indicate a reference number and date of despatch on the sealed envelope.

- (4) The sealed envelope shall be marked "Confidential" and "To be opened by the addressee only", the complete address of the Adjudicating Authority including his name shall be mentioned on the sealed envelope, with official seal.
- (5) The authorised officer shall place the sealed envelope inside an outer envelope, along with an acknowledgement slip in Form-II appended to these rules.
- (6) The outer envelope shall be sealed and complete address of the Adjudicating Authority shall be mentioned on the sealed outer envelope.
- (7) The authorised officer shall maintain registers and other records such as acknowledgement slip register, dak register for the purposes of this rule and shall ensure that necessary entries are made in the register immediately as soon as the copy of the order and the material are forwarded to the Adjudicating Authority.

4. Acknowledgement of receipt of the copy of the order of retention of seized property and the material by the Adjudicating Authority. – (1)

On receipt of the outer sealed envelope along with Form-II, the Adjudicating Authority or in his absence, the designated officer of the office of Adjudicating Authority shall forward Form-II duly filled in, signed and his name legibly written below his signature. The seal of the office of the Adjudicating Authority shall be affixed before forwarding the Form-II to the authorised officer as a token of receipt of the sealed envelope.

- (2) The Adjudicating Authority shall, on opening of the sealed envelope, forward Form-I duly filled in, signed and his name legibly written below his signature. The seal of the office of the Adjudicating Authority shall be affixed before forwarding the Form-I to the authorised officer as a token of receipt of the copy of the order of retention of seized property and the material.
- (3) The Adjudicating Authority shall maintain registers and other records such as acknowledgement slip register, dak register, and register showing details of receipt of the copy of the order of retention along with the material for the purposes of this rule and shall ensure that necessary entries are made in the registers immediately on receipt of such order and the material.

5. Period of keeping the copy of the order of retention and the material by the Adjudicating Authority. – The Adjudicating Authority shall keep the copy of the order of retention of seized property and the material for a

period of ten years or if, before the expiry of the said period of ten years, –
any proceedings under section 8 of the Act have been commenced, until
the disposal of such proceedings, or

- (ii) where an appeal has been preferred to the Appellate Tribunal under section 26 of the Act, until the disposal of such appeal by the Appellate Tribunal, or
- (iii) where an appeal has been filed in the High Court under section 42 of the Act, until the disposal of such appeal by the High Court;

whichever is later.

- 6. Interpretation.** - If any question arises relating to the interpretation of these rules, the matter shall be referred to the Central Government and the decision of the Central Government shall be final.

FORM-I

[See sub-rule (2) of rule 3]

ACKNOWLEDGEMENT SLIP

Serial Number

Received the copy of the order of retention of seized property and the material bearing Number dated

from on at

[the designation of the authorized officer] [date] [time]

[Signature of the Adjudicating Authority]

Date :

.....
[Name of the Adjudicating Authority]

[Office seal]

To

[the designation of the authorized officer]

Address _____

FORM-II

[See sub-rule (5) of rule 3]

ACKNOWLEDGEMENT SLIP

Serial Number

Received a sealed envelope bearing number
dated.....from on

[the designation of the authorized officer] [date]

at.....
[time]

Signature of the Adjudicating
Authority/designated officer
of the office of Adjudicating
Authority.

.....
Name of the Adjudicating
Authority/designated officer
of the office of Adjudicating
Authority.

[Office seal)]

To

[the designation of the authorized officer]

Address _____

F.No. 6/2/2004-E.S.

**(RAKESH SINGH)
JOINT SECRETARY**

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

NOTIFICATION

New Delhi, dated the 1st July, 2005

GSR.448 (E).- In exercise of the powers conferred by sub-section (1) read with clause (q) of sub-section (2) of Section 73 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby makes the following rules for the manner of receiving the records authenticated outside India, namely –

1. **Short title and commencement.** – (1) These rules may be called the Prevention of Money-laundering (Manner of Receiving the Records authenticated Outside India) Rules, 2005.

(2) They shall come into force on the date of their publication in the Official Gazette.
2. **Definitions.** – (1) In these rules, unless the context otherwise requires, –
 - (a) “Act” means the Prevention of Money-laundering Act, 2002 (15 of 2003);
 - (b) “record” means the record in any form received from any place outside India and authenticated in the manner as specified in these rules;
 - (c) “section” means a section of the Act.
(2) All other words and expressions used and not defined in these rules but defined in the Act, shall have the meaning respectively assigned to them in the Act.
3. **Manner of authentication of records received from outside India.** -
 - (1) For the purposes of sub-section (2) of section 22 of the Act, any record received from the place outside India shall be deemed to be authenticated if such record is received, -
 - (a) from an authority designated under an agreement or treaty entered into by the Central Government with the Government of any country for exchange of information or investigations of cases relating to any offence under the Act, or

- (b) which is purporting to have affixed, impressed or submitted thereon or thereto the seal and signature of any person who is authorised by section 3 of the Diplomatic and Consular Officers (Oaths and Fees) Act, 1948 (41 of 1948) to do any notarial acts shall be deemed to be duly authenticated for the purposes of sub-section (2) of section 22 of the Act.

- 4. Interpretation. -** If any question arises relating to the interpretation of these rules, the matter shall be referred to the Central Government and the decision of the Central Government shall be final.

F.No. 6/2/2004-E.S.

(RAKESH SINGH)
JOINT SECRETARY

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)**

NOTIFICATION

New Delhi, dated the 1st July, 2005

GSR 449(E).- In exercise of the powers conferred by sub-section (1) and clause (r) and clause (x) of sub-section (2) of section 73 read with section 35 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby makes the following rules for the purpose of appeals under the said Act, namely:-

1. **Short title and commencement.** – These rules may be called the Prevention of Money-laundering (Appeal) Rules, 2005.
 - (2) They shall come into force on the date of their publication in the Official Gazette.

2. **Definitions.** – (1) In these rules, unless the context otherwise requires, –
 - (a) “Act” means the Prevention of Money-laundering Act, 2002 (15 of 2003);
 - (b) “Adjudicating Authority” means an Adjudicating Authority appointed under sub-section (1) of section 6 of the Act;
 - (c) “Appellate Tribunal” means the Appellate Tribunal established under section 25 of the Act;
 - (d) “Appellant” means an aggrieved person who prefers an appeal before the Appellate Tribunal;
 - (e) “Director” means the Director appointed under sub-section (1) of section 49 of the Act;
 - (f) “Form” means the form appended to these rules;
 - (g) “order” means an order passed by the Director under sub-section (2) of section 13 of the Act or by the Adjudicating Authority under section 8 of the Act, as the case may be;
 - (h) “Registrar” means the Registrar of the Appellate Tribunal;

- (i) "section" means a section of the Act.
- (2) All other words and expressions used and not defined in these rules but defined in the Act, shall have the meaning respectively assigned to them in the Act.
3. **Form of Appeal.** – (1) Every appeal preferred before the Appellate Tribunal against the order of the Adjudicating Authority or the Director, as the case may be, under section 26 of the Act shall be in the Form as appended to these rules and the appeal shall be in quadruplicate and accompanied by four copies of the order appealed against.
- (2) At the time of filing, every appeal shall be accompanied with an amount of fee as given in the Table below, in the form of demand draft payable in favour of the Registrar, Appellate Tribunal, New Delhi.

TABLE

Sl.No.	Amount of fine imposed	Amount of fee payable
1.	Where the amount of fine imposed under sub-section (2) of section 13 of the Act is Rs. 10,000/-	Rs. 1,000/-
2.	Where the amount of fine imposed under sub-section (2) of section 13 of the Act is more than Rs. 10,000/- and upto Rs. 50,000/-	Rs. 2,500/-
3.	Where the amount of fine imposed under sub-section (2) of section 13 of the Act is more than Rs. 50,000/- and upto Rs. 1 lakh.	Rs. 5,000/-
Appeal against attachment of any property or retention of the seized property or record.		
4.	Where appeal is against the orders made by the Adjudicating Authority under sub-section (3) or sub-section (6) of section 8 of the Act.	Rs. 10,000/-

- (3) The appeal shall set forth concisely and under distinct head the grounds of objection to the order appealed against and such grounds shall be numbered consecutively; and shall specify the address of service at which notice or other processes of the Appellate Tribunal may be served on the appellant and the date on which the order appealed against was served on the appellant.

- (4) Where the appeal is preferred after the expiry of the period of forty-five days referred to in sub-section (3) of section 26 of the Act, it shall be accompanied by a petition, in quadruplicate, duly verified and supported by the documents, if any, relied upon by the appellant, showing cause as to how the appellant had been prevented from preferring the appeal within the period of forty-five days.
 - (5) Any notice required to be served on the appellant shall be served on him in the manner prescribed in rule 5 of these rules at the address of service specified in the appeal.
4. **Order of the Appellate Tribunal.-** The order of the Appellate Tribunal shall be in writing and shall state the reasons for the decision.
5. **Service of notice, requisitions or orders. –** A notice, requisition or an order issued under these rules shall be served on any person in the following manner:-
 - (a) by delivering or tendering the notice or requisition or order to that person or the person duly authorized by him; or
 - (b) by sending the notice or requisition or order to him by registered post with acknowledgement due to the address of his place or residence or his last known place or residence or the place where he carried on, or last carried on, business or personally works or last worked for gain; or
 - (c) by affixing it on the outer door or some other conspicuous part of the premises in which the person resides or is known to have last resided or carried on business or personally works or has worked for gain and that written report thereof should be witnessed by two persons; or
 - (d) if the notice or requisition or order cannot be served under clause (a) or clause (b) or clause (c), then by publishing in a leading newspaper (both in vernacular and in English) having wide circulation in the area or jurisdiction in which the person resides or is known to have last resided or carried on business or personally works or last worked for gain.
6. **Interpretation. –** If any question arises relating to the interpretation of these rules, the matter shall be referred to the Central Government and the decision of the Central Government shall be final.

F O R M

[See sub-rule (1) of rule 3]

From _____
(Mention name and address of the appellant here).

To

The Registrar,
Appellate Tribunal
(Address)

Sir,

The above-named appellant, begs to prefer this appeal under section 26 of the Prevention of Money-laundering Act, 2002 against order Number _____ dated _____ passed by the Director or the Adjudicating Authority (*strike out whichever is inapplicable*) under the said Act on the following facts and grounds.

FACTS

(Mention briefly the facts of the case here. Enclose copy of the order passed by the Director or Adjudicating Authority (*strike out whichever is inapplicable*) and copies of other relevant documents, if any.)

GROUND S

(Mention here the grounds on which appeal is preferred).

PRAYER

In the light of what is stated above, the appellant prays for the following relief :-

RELIEF SOUGHT

(Specify the relief sought)

DECLARATION

The fee payable for this appeal as shown in Table given in sub-rule (2) of rule 3 of these rules has been deposited in the form of demand draft with the Registrar, Appellate Tribunal, New Delhi vide receipt number _____ dated _____.

(Signature of the Appellant)

(Name of the Appellant)

List of documents :

Place :

Date :

(Signature of the Appellant)

(Name of the Appellant)

F.No. 6/2/2004-E.S.

(RAKESH SINGH)
JOINT SECRETARY