Bill Summary

The Prevention of Money Laundering (Amendment) Bill, 2011

- The Prevention of Money Laundering (Amendment) Bill, 2011 was introduced by the Minister of Finance, Mr. Pranab Mukherjee in the Lok Sabha on December 27, 2011. This Bill seeks to amend the Prevention of Money Laundering Act, 2002.
- The Bills proposes to introduce the concept of 'corresponding law' to link the provisions of Indian law with the laws of foreign countries. It also adds the concept of 'reporting entity' which would include a banking company, financial institution, intermediary or a person carrying on a designated business or profession.
- The Bill expands the definition of offence under money laundering to include activities like concealment, acquisition, possession and use of proceeds of crime.
- The Prevention of Money Laundering Act, 2002 levies a fine up to Rs five lakh. The Bill proposes to remove this upper limit.
- The Bill seeks to provide for provisional attachment and confiscation of property of any person (for a period not exceeding 180 days). This power may be exercised by the authority if it has reason to believe that the offence of money laundering has taken place.
- The Bill proposes to confer powers upon the Director to call for records of transactions or any additional information that may be required for the purposes of investigation. The Director may also make inquiries for non-compliance of the obligations of the reporting entities.
- The Bill seeks to make the reporting entity, its designated directors on the Board and employees responsible for omissions or commissions in relation to the reporting obligations.
- The Bill states that in the proceedings relating to money laundering, the funds shall be presumed to be involved in the offence, unless proven otherwise.
- The Bill proposes to provide for appeal against the orders of the Appellate Tribunal directly to the Supreme Court within 60 days from the communication of the decision or order of the Appellate Tribunal.
- The Bill seeks to provide for the process of transfer of cases of the Scheduled offences pending in a court (which had taken cognizance of the offence) to the Special Court for trial. In addition, on receiving such cases, the Special Court shall proceed to deal with it from the stage at which it was committed.
- Part B of the Schedule in the existing Act includes only those crimes that are above Rs 30 lakh or more whereas Part A did not specify any monetary limit of the offence. The Bill proposes to bring all the offences under Part A of the Schedule to ensure that the monetary thresholds do not apply to the offence of money laundering.

Sana Gangwani
sana@prsindia.org

January 16, 2012