

Non-Compliant NBFCs which have not fulfilled their obligations under PML Rules asked to do so

Prevention of Money Laundering Act, 2002 (PMLA) and the Rules impose obligation on reporting entities (RE's) including Non-Banking Financial Companies (NBFC's) to verify identity of clients, maintain records and furnish information to FIU-IND. To facilitate the filing of prescribed reports under PMLA, FIU-IND has developed a platform called FINnet Gateway portal. In order to file the prescribed reports, it is necessary for a Reporting Entity (RE) to register itself and its Principal Officer (PO) through the FINnet Gateway portal of FIU-IND.

As these unregistered NBFCs remain outside the reporting ambit of FIU-IND, they pose a risk to the integrity of the country's financial system and therefore, FIU-IND has published the list of such 'non-compliant NBFCs which have not fulfilled their obligation under PML Act and Rules relating to non registration of Principal Officer'. The said list has been published by FIU-IND so as to enable the bankers to conduct enhanced due diligence of the transactions carried out by such NBFCs. Further, as per provisions of the PML Act and Rules, all NBFCs are required to intimate the details of their Designated Director to FIU-IND. (It may be noted that registration of RE and PO is only through the online mode, i.e. FINnet Gateway portal (<https://finnet.gov.in/>), while intimation of appointment / change of Designated Director is by way of a letter to FIU-IND).

All NBFCs which have failed to comply with any of the above requirements are now required to register their Reporting Entity (RE), Principal Officer (PO) and Designated Director with FIU-IND. The procedure for registration of RE and PO is available on the FIU-IND website (fiuindia.gov.in). All unregistered NBFCs are required to contact the CTR Cell, FIU-IND (011-24672138, ctrcell@fiuindia.gov.in) for any registration related queries.

FIU-IND would delete the names of NBFCs once their registration process is completed and the list would be revised monthly.

Please contact for any query related to this mail to Ms. Neha Gupta, Research Associate at neha.gupta@phdcci.in with a cc to Dr. S P Sharma, Chief Economist at spsharma@phdcci.in and Ms. Megha Kaul, Associate Economist at megha@phdcci.in , PHD Chamber of Commerce & Industry.

Warm regards,

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