

[AS INTRODUCED IN THE NATIONAL ASSEMBLY]

A

Bill

further to amend the Anti-Money Laundering Act, 2010 for the purposes hereinafter appearing

WHEREAS it is expedient further to amend the Anti-Money Laundering Act, 2010 (VII of 2010) for the purposes herein after appearing;

It is hereby enacted as under:-

1. **Short title and commencement.**- (1) This Act may be called the Anti-Money Laundering (Amendment) Act, 2019.
(2) It shall come into force at once.
2. **Amendment of section 4, Act VII of 2010.**- In the Anti-Money Laundering Act, 2010 (VII of 2010), hereinafter referred to as "the Act", in section 4 for the words "not be less than one year but may extend to" the words "be upto" shall be substituted and for the words "one million" the words "five million" shall be substituted.
3. **Amendment of section 6, Act VII of 2010.**- In the Act, in section 6, in sub-section (4), in clause (e), the words "after due administrative process" shall be omitted.
4. **Amendment of section 7, Act VII of 2010.**- In the Act, in section 7,-
 - (a) in sub-section (1) in the proviso for the words and comma, "immediately, but not later than seven working days after forming that suspicion" the word "promptly" shall be substituted; and
 - (b) in sub-section (4) for the word "five" the word "ten" shall be substituted.
5. **Amendment of section 8, Act VII of 2010.**- In the Act, in section 8, in sub-section (1), for the word "ninety" the words "one hundred and eighty" shall be substituted and after the full stop at the end the following shall be added, namely:-

"Provided that the Court may grant further extension for a period upto one year".

6. Amendment of section 9, Act VII of 2010.- In sub-section (5), for the word "or" occurring for the first time, the word "and" shall be substituted.
7. Amendment of section 16, Act VII of 2010.- In the Act, in section 16, for the sub-section (1) the following shall be substituted:-
- “(1) An Investigating Officer authorized under sub-section (2) of section 24, having on the basis of material in his possession, reason to believe (reason for such belief to be recorded in writing) that any person has been guilty of an offence punishable under this Act, he may arrest such person and shall, as soon as may be, inform him of the grounds for such arrest.”.
8. Amendment of section 21, Act VII of 2010.- In the Act, in section 21,-
- (a) in the heading, for the word "non-cognizable" the word "cognizable" shall be substituted;
- (b) in sub-section (1), in clause (a), for the word "non-cognizable" the word "cognizable" shall be substituted; and
- (c) in sub-section (3), after the letters "FMU" the words "or Investigating or Prosecuting Agency" shall be inserted.
9. Amendment of section 33, Act VII of 2010.- In section 33, in sub-section (1) for the words "three" and "one" the words "five" and "five" shall respectively be substituted.
10. Amendment of section 34, Act VII of 2010.- In section 34 in sub-section (2) for the words "three" and "five hundred thousand" the words "five" and "two million" shall respectively be substituted.

STATEMENT OF OBJECTS AND REASONS

In order to bring further improvements in the Anti-Money Laundering Act, 2010 (AML Act) and in line with suggestions of AML/CFT stakeholders particularly Law Enforcement Agencies responsible for the enforcement of AML Act, 2010, amendments in the AML Act, 2010 are being proposed. The proposed amendments will reflect the Government's firm resolve to strengthen its Anti-Money Laundering regime. These amendments are aimed at streamlining the existing AML law in line with international standards and suggest enhancing the punishment of offence of money laundering to make it more dissuasive and deterrent. The amendments suggest to make the offence punishable under the AML Act, 2010 as "cognizable offence". These amendments would also allow Financial Monitoring Unit to seek Egmont Group Membership (Group of Financial Intelligence Unit) which is the requirement under the Financial Action Task Force Recommendations.

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