

**Summary of Order in Original No. 17/DIR/FIU-IND/2022 in the matter of Daimler
Financial Services India Pvt. Ltd. (“Daimler”),**

In the present matter, FIU-IND received a reference from the Reserve Bank of India (RBI) in respect of certain observations made pursuant to inspection of Daimler by RBI. Specifically, observations were shared concerning Daimler’s practices / systems relating to (i) alert generation, (ii) UCIC allotment, and (iii) authentication of KYC documents. The observations pertained to two distinct inspection periods.

Based on an examination of the reference from RBI, show cause notice dated February 4, 2020 was issued by Director, FIU-IND requiring Daimler to show cause as to why action should not be taken against it for potential violations of Section 12 of PMLA read with inter alia Rules 7 and 9 of the PML Rules in respect of its potential failure to implement an effective transaction monitoring and reporting system.

Detailed written submissions were made by Daimler in response to the notice. Further, Daimler was also provided an opportunity for personal hearing before Director, FIU-IND. Subsequent to the hearing, additional written submissions were also received from Daimler.

After considering the written and oral submissions of Daimler, Director, FIU-IND, based on the material available on record, found that the charges against Daimler were substantiated. Consequently, vide order dated October 31, 2022, in exercise of his powers under Section 13, PMLA, it was found to be appropriate to:

- (i) In respect of charges relating to UCIC and KYC practices, issue a warning that Daimler exercise caution in the future;
- (ii) In respect of charges relating to transaction monitoring and alert generation, levy a monetary penalty of Rs. 1,00,000 (Rupees One Lakh Only) on Daimler for its violation of the above stated obligations under Chapter IV of the PMLA read with the appropriate PML Rules;
- (iii) In addition, issue specific remedial directions to Daimler to take certain actions, in a time-bound manner, to mitigate risks flowing from the above contraventions.

Disclaimer: The summary of the referenced order of Director, FIU-IND is only representational in nature. It does not hold any legal significance and cannot be relied upon or referred to as precedent in any other case.