

FINANCIAL INTELLIGENCE UNIT - INDIA

ANNUAL REPORT

2019-20



Department of Revenue

Ministry of Finance, Government of India

Director's Message

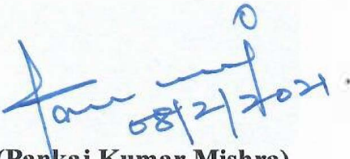
I am pleased to present the 14th Annual Report of Financial Intelligence Unit – India (FIU-IND) for the year 2019-20. Over the years, FIU-IND has played a key role in encountering the dual threats of money laundering and terror financing at the domestic and the global level. FIU-IND is engaged in the receipt, analysis and dissemination of financial intelligence as per the mandate assigned under the Prevention of Money Laundering Act 2002 (PMLA) and international standards delineated by the Financial Action Task Force (FATF) and the Egmont Group of FIUs.

FY 2019-20 was a rather challenging year for the global economy on account of COVID-19 pandemic. The upheavals generated by COVID-19 might prove to be a breeding ground for novel modus operandi and crimes such as electronic frauds and cybercrimes. The Reporting Entities must further strengthen their systems in order to identify new methods and trends which are emerging in times of this pandemic crisis.

During the year, FIU-IND received *inter alia* 5.4 lakh (0.54 million) Suspicious Transaction Reports (STRs), processed over 74,000 STRs and disseminated over 66,000 STRs to law enforcement agencies. FIU-IND has also received over 1.54 crore (15.4 million) Cash Transaction Reports (CTRs), over 2.62 lakh (0.26 million) Counterfeit Currency Reports, over 3.9 crore (39 million) Cross- Border Wire Transfer Reports (CBWTRs) and over 9.4 lakh (0.94 million) Non Profit Transaction Reports (NTRs). As per feedback received from the agencies, intelligence analyzed and disseminated by FIU-IND have resulted in the detection of unaccounted income of Rs. 1,859.66crores (Rs. 18.59 billion) by the Central Board of Direct Taxes (CBDT) and imposition of penalties and demands by the Enforcement Directorate (ED) and Directorate of Revenue Intelligence (DRI).

FIU-IND has actively collaborated with domestic law enforcement agencies as well as foreign FIUs through regular interaction and exchange of information. In this year, FIU-IND received 2298 requests from domestic agencies and provided information in 1760 cases. With respect to foreign FIUs, 135 requests for information and 180 voluntary disclosures were received and 485 requests were sent to them on behalf of domestic agencies.

FIU-IND continues to be a lean organization delivering value with modest financial and human resources. Officers and staff of FIU-IND have continued to work diligently and with dedication to serve the nation.


(Pankaj Kumar Mishra)
Director, FIU-IND

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Performance at a Glance 2019-20

Receipt of Information	<ul style="list-style-type: none">• Suspicious Transaction Reports (STRs) received 5,47,013• Cash Transaction Reports (CTRs) received 1,54,59,804• Non Profit Transaction Reports (NTRs) Received 9,40,882• Cross-Border Wire Transfer Reports (CBWTRs) received 3,95,53,003• Counterfeit Currency Reports (CCRs) received 2,62,164
Analysis and dissemination of Information by FIU	<ul style="list-style-type: none">• STRs Processed 74,567• STRs Disseminated 66,170
Collaboration with domestic agencies	<ul style="list-style-type: none">• Number of Requests from Domestic Agencies in 2019-20 2,298• Number of request replied in 2019-20 1,760
Outcomes of Information Shared	<ul style="list-style-type: none">• Intelligence analysed and disseminated by FIU-IND have resulted in the detection of unaccounted income of Rs. 1,859.66 crores (Rs. 18.59 Bn) by the Central Board of Direct Taxes (CBDT)• Imposition of penalties and demands by the Enforcement Directorate (ED) and Directorate of Revenue Intelligence (DRI)
International Cooperation and Exchange of Information	<ul style="list-style-type: none">• Requests received from foreign FIUs 135• Foreign FIU s requests replied by FIU IND 135• Spontaneous disseminations received from foreign FIUs 180• Number of Requests sent to foreign FIUs 485• Egmont MoUs / International Partnerships Signed 2
Outreach Activities to raise AML/CFT Awareness	<ul style="list-style-type: none">• Regional Conference in collaboration with Punjab Police at Mohali• Seminar/Workshop on PMLA in association with Gujrat Urban Cooperative Banks Federation at Ahmedabad• Regional seminar at Bhopal
Ensuring Compliance	<ul style="list-style-type: none">• Show cause notices to various reporting entities 82• Orders passed 17• Penalty imposed Rs 19.46 Crores (Rs 0.19 Billion)
Strengthening IT Infrastructure	<ul style="list-style-type: none">• Initiation of Project FINnet 2.0 - Designing and conceptualization of FINnet 2.0 features and initiation of tendering process.• Focus on improving quality of reports.

Chapter 1

Financial Intelligence Unit – India

Financial Intelligence Units (FIUs) are specialized government agencies created to act as an interface between the financial sector and law enforcement agencies for collecting, analyzing and disseminating information, particularly about suspicious financial transactions, pertaining to money laundering and financing of terrorism.

Box 1: What is an FIU?

Egmont Group definition of FIU

A central, national agency responsible for receiving (and as permitted, requesting), analyzing and disseminating to the competent authorities, disclosures of financial information:

- i. concerning suspected proceeds of crime and potential financial of terrorism, or*
- ii. Required by national legislation or regulation, in order to combat money laundering and terrorism financing.*

FIUs have to conform to international standards, particularly the recommendations of the Financial Action Task Force (FATF).

Box 2: FATF Recommendation regarding FIU

FATF Recommendation 29:

"Countries should establish a financial intelligence unit (FIU) that serves as a national centre for the receipt and analysis of:

(a) suspicious transaction reports; and (b) other information relevant to money laundering, associated predicate offences and terrorist financing, and for the dissemination of the results of that analysis.

The FIU should be able to obtain additional information from reporting entities, and should have access on a timely basis to the financial, administrative and law enforcement information that it requires to undertake its functions properly."

Financial Intelligence Unit-India (FIU-IND) was established by the Government of India on 18th November, 2004 for coordinating and strengthening collection and sharing of financial intelligence through an effective national, regional and global network to combat money laundering and related crimes. It was set up as an independent body reporting to the Economic Intelligence Council (EIC) headed by the Finance Minister and is now under the administrative control of Department of Revenue, Ministry of Finance.

FIU-IND is headed by the Director, who is an officer of the rank of Joint Secretary to the Government of India. It is an administrative FIU and does not investigate cases.

FIU-IND is an officer-oriented and technology-intensive multi-disciplinary organization with a sanctioned strength of 75¹.

FIU-IND receives reports on cash transactions, suspicious transactions, counterfeit currency transactions, funds received by non- profit organizations, cross-border wire transfers and immovable properties transactions. FIU-IND analyses the reports received and disseminates actionable intelligence to law enforcement agencies, intelligence agencies and regulators.

Figure 1: Different Reports to be filed under PMLA

Cash Transaction Reports (CTR)	Suspicious Transaction Reports (STR)	Counterfeit Currency Reports (CCR)	NPO Reports (NTR)	Cross Border Wire Transfer Report (CBWTR)	Immovable Property Reports (IPR)
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Box 3: Partner Agencies

FIU-IND Partners

Law Enforcement Agencies:

- *Enforcement Directorate (ED)*
- *Central Bureau of Investigation (CBI)*
- *State Police*
- *Central Board of Direct Taxes (CBDT)*
- *Central Board of Indirect Taxes and Customs (CBIC)*
- *Directorate of Revenue Intelligence (DRI)*
- *Directorate General of Goods & Services Tax Intelligence (DGGI)*
- *Serious Fraud Investigation Office (SFIO)*
- *National Investigation Agency (NIA)*
- *Narcotics Control Bureau (NCB)*
- *Central Vigilance Commission (CVC)*
- *Foreigners Division*
- *Bureau of Immigration*

¹ See Appendix A for list of serving officers

Intelligence Agencies

- *Intelligence Bureau*
- *Cabinet Secretariat*
- *Central Economic Intelligence Bureau*
- *Defense Intelligence Agency*
- *Military Intelligence*
- *National Technical Research Organization (NTRO)*

Regulatory Authorities

- *Reserve Bank of India (RBI)*
- *Securities and Exchange Board of India (SEBI)*
- *Ministry of Corporate Affairs*
- *Ministry of External Affairs*
- *Insurance Regulatory and Development Authority*
- *Directorate General of Foreign Trade (DGFT)*
- *National Housing Bank*
- *National Bank for Agriculture and Rural Development*

Others

- *Chief Secretary of States*

International

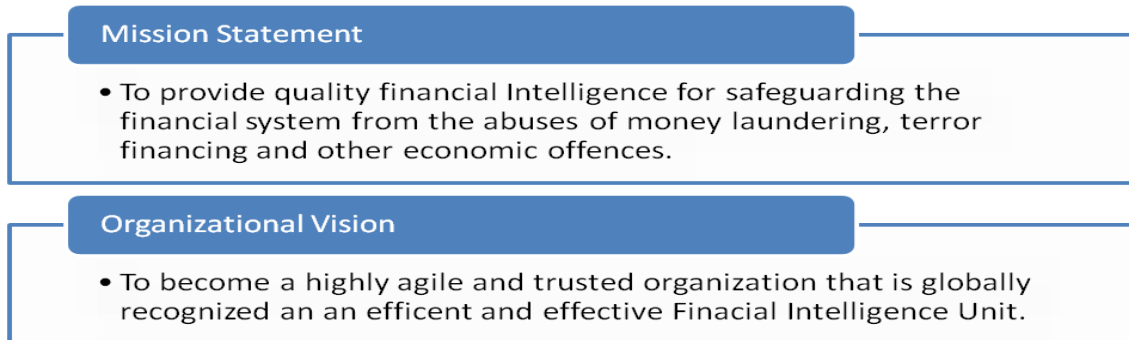
- *Financial Action Task Force (FATF)*
- *Eurasian Group on Combating Money Laundering (EAG)*
- *Asia / Pacific Group On Money Laundering (APG)*
- *Egmont Group*

FIU-IND performs both operational and strategic analysis and identifies key money laundering trends, typologies and developments based on the analysis of its database.

1.1. Mission, Vision and Strategic Goals of FIU-IND

FIU-IND has defined its mission statement, vision and strategic objectives in order to provide a framework for an organization- wide performance management and to enhance its effectiveness.

Figure 2: Mission and Vision Statement



FIU-IND has set three strategic objectives in order to achieve its mission:

- Combating Money Laundering, Financing of Terrorism and other economic offences
- Deterring Money Laundering and Countering Financing of Terrorism
- Building and strengthening organizational capacity

These objectives are proposed to be achieved through the following thrust areas:

- Effective collection, analysis and dissemination of information
- Enhanced domestic and international cooperation
- Building capacity of reporting entities
- Ensuring compliance to reporting obligations under PMLA
- Building organizational resources
- Strengthening IT infrastructure in FIU.

This Annual Report demonstrates the performance of FIU-IND during the year 2019-20 under the above mentioned board thrust areas.²

² See Appendix B for the chronology of significant events in FIU-IND for the year 2019-20

Chapter 2

Legal framework

2.1. Prevention of Money Laundering Act, 2002

The Prevention of Money Laundering Act, 2002 (PMLA) is India's legislation for combating money laundering. It was enacted in 2003 and brought into force on 1st July 2005. It criminalizes money laundering and provides for attachment, seizure and confiscation of property obtained or derived, directly or indirectly, from or involved in money laundering. The Unlawful Activities (Prevention) Act, 1967 (UAPA) is the legislation to combat acts of terrorism and financing of terrorism.

PMLA incorporates two different sets of provisions – one relating to maintenance and furnishing of information by the reporting entities to the FIU, and the second relating to investigation, search, seizure, collection of evidence, prosecution, etc. for money laundering. The Director, FIU-IND is the prescribed authority for enforcement of the provisions relating to maintenance of records and furnishing of information by the reporting entities. The Director of Enforcement (ED) is the relevant authority for investigation, search, seizure, confiscation of property, and prosecution for the offence of money laundering. The predicate offences which cover 31 different laws are included in the Schedules to the Act.

Section 3 of PMLA criminalizes the money laundering and Section 4 lays down the punishment for the offence of money laundering. An offender is liable for rigorous imprisonment for a term of not less than three years, extending up to seven years as well as fine. For certain offences under the Narcotic Drugs and Psychotropic Substances Act, 1985 the rigorous imprisonment may extend up to ten years.³

2.2. Unlawful Activities (Prevention) Act, 1967

The legislative measures for combating financing of terrorism in India are contained in the Unlawful Activities (Prevention) Act, 1967 (UAPA). UAPA criminalizes terrorist acts and raising of funds for such terrorist acts. The Act was amended in 2013 to make it more effective in preventing unlawful activities and meet FATF standards. The Act also gives effect to United Nations Security Council Resolutions 1267 and 1373⁴, enabling freezing, seizing or attaching funds and other financial assets held by designated individuals or entities. Offences under UAPA are included as predicate offences under PMLA.

³A list of important amendments, rules notified by the Central Government under PMLA is listed at **Appendix C**

⁴UNSCR1267 deals with sanctions against individuals and entities associated with Al Qaida, Osama Bin Laden and Taliban. UNSCR 1373 deals with sanctions against other terrorist entities.

Box 4: Salient Feature of UAPA

The salient features of the UAPA pertaining to terror financing are listed below:

- *Five years is the period of declaration of an association as unlawful;*
- *'Terrorist Act' includes production or smuggling or circulation of high quality counterfeit Indian paper currency, coin or of any other material;*
- *Raising or collecting or providing funds, whether from legitimate or illegitimate sources, by a terrorist organization or by terrorist gang or by an individual terrorist, is criminalized;*
- *Raising or collecting or providing funds in any manner for the benefit of or, to an individual terrorist, terrorist gang or terrorist organization for the purpose not constituting to be a Terrorist Act is criminalized;*
- *Offences by companies, societies or trusts come under the ambit of the Act;*
- *The scope of proceeds of terrorism includes any property intended to be used for terrorism; and*

- *Courts are empowered for:-*
 - i) *Attachment or forfeiture of property equivalent to the counterfeit Indian currency involved in the offence;*

 - ii) *Attachment or forfeiture of property equivalent to or the value of the proceeds of terrorism involved in the offence; and*

 - iii) *Confiscation of movable or immovable property on the basis of the material evidence where the trial cannot be concluded.*

2.3. PMLA and FIU-IND

Sections 12 of PMLA requires every reporting entity (banking companies, financial institutions, intermediaries and designated non-financial businesses and professions) to maintain records of all transactions, furnish information of prescribed transactions to Director, FIU-IND and to verify the identity of their clients and their beneficial owners in the manner prescribed. The reporting entities are also required to preserve records of transactions and records of identity of clients for five years. The PML (Maintenance of Records) Rules prescribe the requirements for maintenance of records and reports to be furnished to FIU-IND.⁵

Section 12A empowers the Director to call for additional information from reporting entity, which is obligated to maintain the confidentiality.

⁵ The obligations of the reporting entities are summarized in Appendix D.

Section 13 of PMLA empowers Director, FIU-IND to enquire into cases with regard to the obligations of the reporting entities and issue warnings, direct compliance and impose sanctions including monetary penalty on the reporting entity or its designated director or any of its employees.

Section 14 of the PMLA provides that the reporting entity, its Directors and employees shall not be liable to any civil or criminal proceedings against them for furnishing information to FIU-IND.

Section 50 gives Director, FIU-IND powers of a civil Court under the Code of Civil Procedure, to enforce attendance of any person, compel production of records, and receive evidence on affidavits and issuing commission for examination of witnesses.

Section 54 empowers and requires various officers and other functionaries to provide necessary assistance to Director, FIU-IND in the enforcement of his statutory functions under the PMLA.

Section 66 provides for the dissemination of information by FIU-IND to any officer, authority or body performing any function under any law relating to imposition of any tax, duty or cess or to dealing in foreign exchange or to prevention of illegal trafficking in drugs or to any officer, authority or body notified by the Central Government. Additionally, if provisions of any other law for the time being in force are contravened, FIU-IND may also share information with the concerned agency.

Section 69 enables the recovery of fines imposed by the Director, if not paid within six months from the date of imposition of fine or penalty; and the powers of a Tax Recovery Officer under the Income-tax Act, 1961 can be exercised for this purpose. The fines so imposed are recovered in the same manner as prescribed in Schedule II of the Income-tax Act, 1961 for the recovery of arrears.

Box 5: Recent Amendments in PMLA

During FY 2019-20, three new sections were inserted into the PMLA

1. **S11A** (w.e.f. 25th July 2019)– *procedure for verification of identity by the Reporting Entity which prescribes use of online and offline verification using Aadhaar issued by the Unique Identification Authority of India, passport and other officially valid documents (OVDs). The procedure for processing of applications u/s 11A of PMLA 2002 for use of Aadhaar authentication services by entities other than banking companies was specified vide circular dated 9th May, 2019. Subsequently vide notification dated 22nd April, 2020, entities other than banking companies have been notified to undertake Aadhaar authentication service. Vide notification dated 19th August 2019 (3rd Amendment) the definitions*

of offline and online verification using Aadhaar as well as the process for digital KYC (Annexure 1 to PML Rules, 2005) have been detailed.

2. **S12AA** (w.e.f. 1st August 2019)– **Enhanced due diligence** to be conducted by the **Reporting Entity prior to the commencement of each specified transaction**. If the client fails to fulfil the conditions specified in the section, the Reporting Entity shall not allow the transaction to be carried out. If the transaction is suspicious or represents the proceeds of crime then the business relationship and transactions can be subject to monitoring and greater scrutiny respectively.
3. **S72A**(w.e.f. 1st August 2019)– **Constitution of an Inter-Ministerial Co-ordination Committee** by the Union Government for inter-departmental and inter-agency co-ordination.

In addition, the key amendments to PML Rules 2005 are as below –

1. Notification dated 18th September, 2019 (4th Amendment) on determination of Beneficial Owner in the case of depository receipts or equity shares issued in jurisdictions notified by the Central Government shall be as per the norms of such jurisdiction.
2. Notification dated 13th November 2019 (Fifth Amendment) is with regard to easing of Aadhaar KYC for opening of bank accounts for the convenience of migrant labour.

Figure 3: Reporting Entities

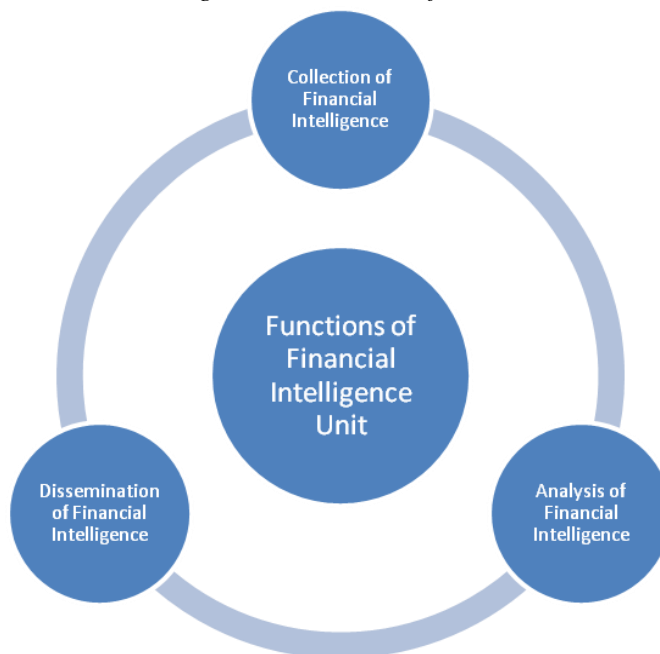
Banking Companies	Financial Institutions	Intermediaries	DNFBP Notified by Central Governemnt
<ul style="list-style-type: none"> • Public sector banks • Private Indian banks • Foreign banks • Co-operative banks • Regional Rural banks 	<ul style="list-style-type: none"> • Insurance companies • Hire purchase companies • Chit fund companies • Housing finance institutions • Non-banking financial companies • Payment system operator • Authorized persons • India Post 	<ul style="list-style-type: none"> • Stock brokers • Share transfer agents • Registrars to issue • Merchant bankers • Underwriters • Portfolio managers • Investment advisers • Depositories and DPs • Custodian of securities • Foreign institutional investor • Venture capital funds • Mutual funds • Intermediary regulated by PFRDA • Recognized stock exchanges • Insurance Brokers 	<ul style="list-style-type: none"> • Casino • Inspector General of Registration

Chapter 3

Collection, analysis and dissemination of information

3.1. Introduction

Figure 4: Functions of FIU



FIU-IND has prescribed three reporting formats, namely, accounts based reporting format (ARF), transactions based reporting format (TRF), and reporting format for Counterfeit Currency Reports (CRF). All reports are to be filed online only along with the digital signature of the Principal Officer of the Reporting Entity.

3.2. Suspicious Transaction Reports (STRs)

Box 6: Definition of STR

STR as per PMLA

"Suspicious transaction" means a transaction referred to in clause (h), including an attempted 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 proceeds of an offence specified in the Schedule to the Act, regardless of the value involved; or*
- b) Appears to be made in circumstances of unusual or unjustified complexity; or*
- c) Appears to have no economic rationale or bona fide purpose; or*
- d) Gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism;*

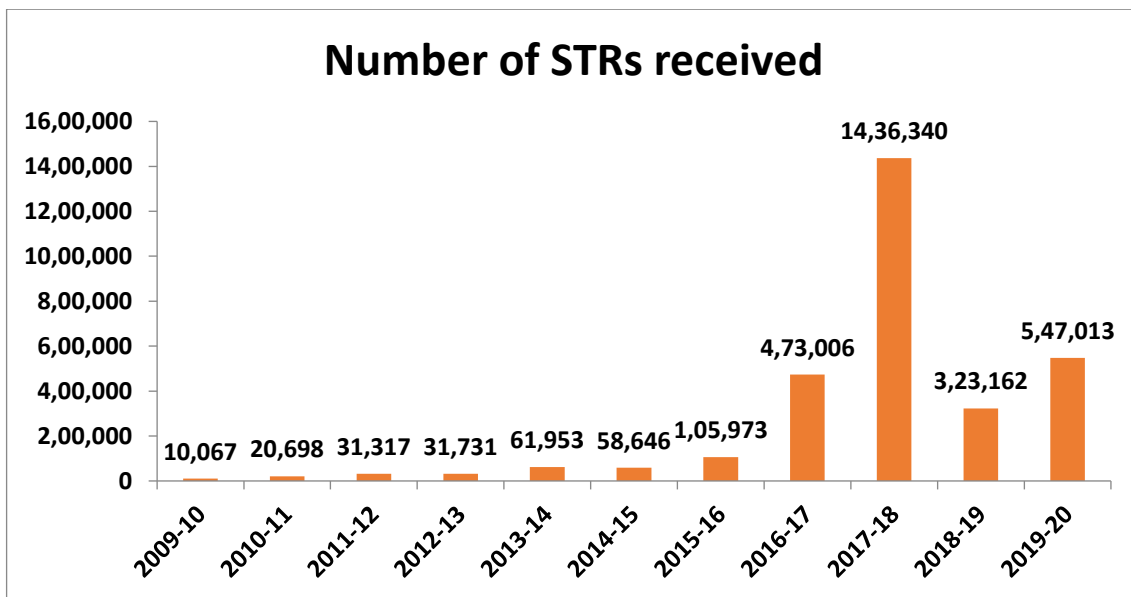
Explanation - Transaction involving financing of the activities relating to terrorism includes transaction involving funds suspected to be linked or related to, or to be used for terrorism, terrorist acts or by a terrorist, terrorist organization or those who finance or are attempting to finance terrorism.

Suspicious Transaction Reports (STRs) are required to be furnished by the principal officer of the reporting entity not later than seven working days on being satisfied that the transaction is suspicious.

Receipt of STRs

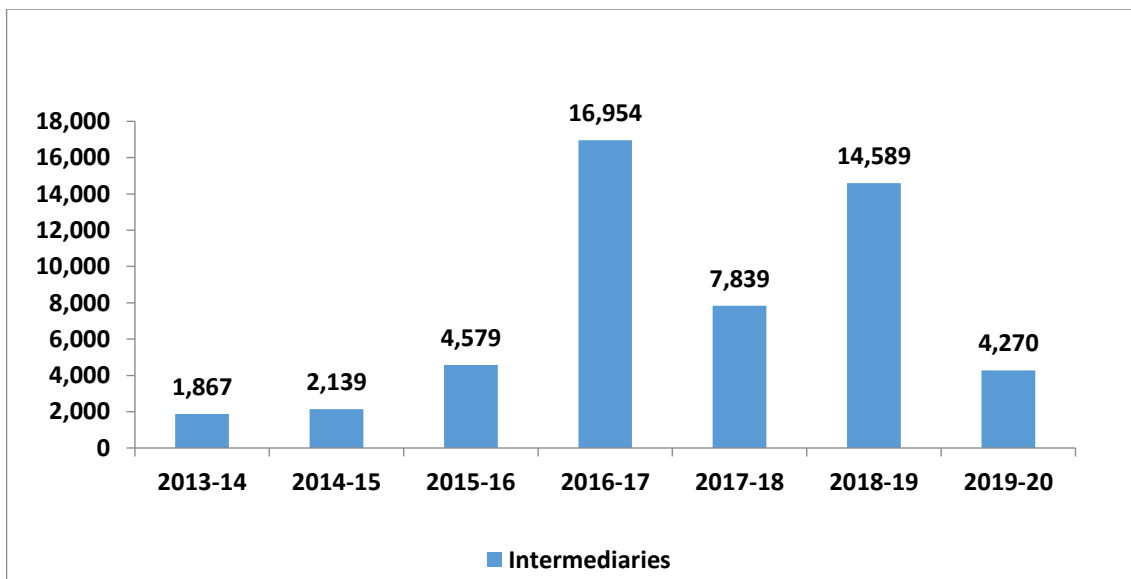
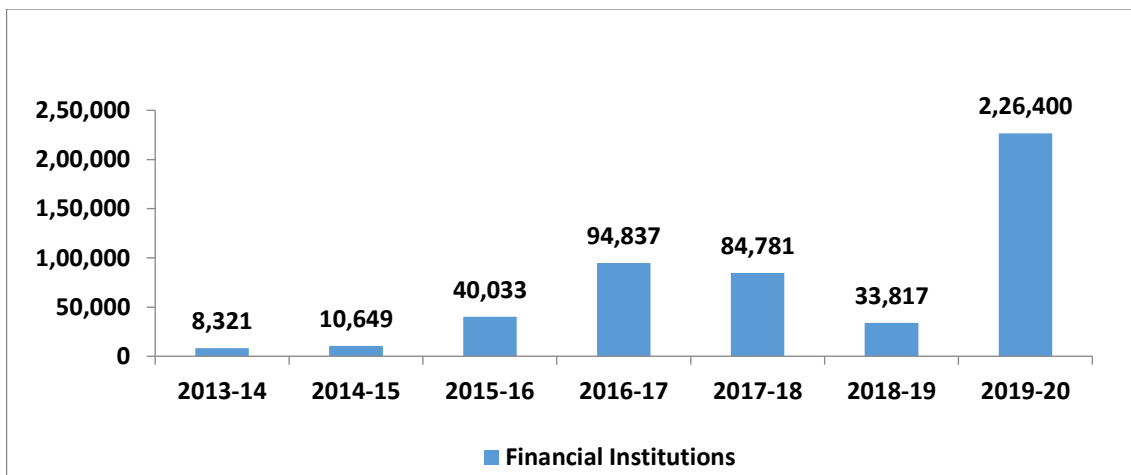
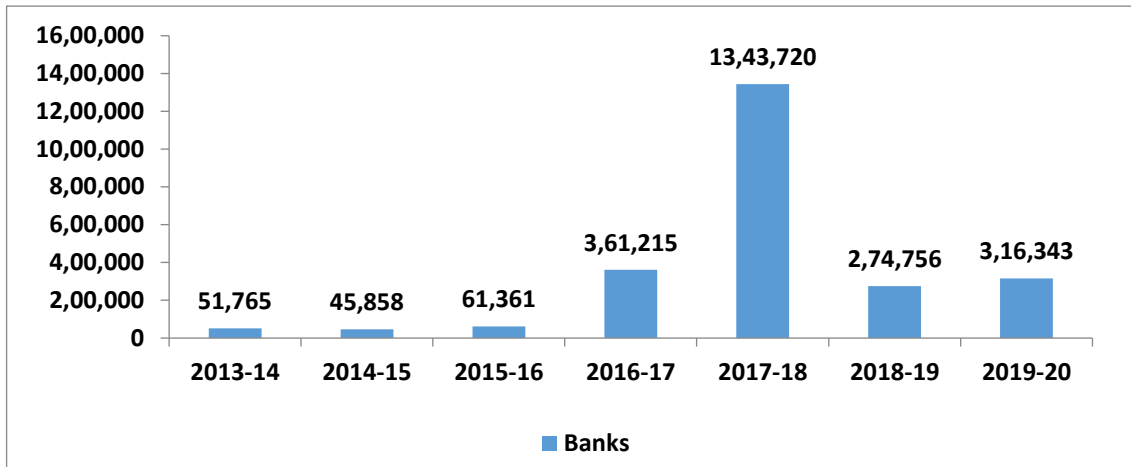
FIU-IND has been receiving Suspicious Transaction Reports since the reporting transactions were notified in March, 2006. The progressive increase in receipt of STRs is depicted in the following graph

Chart 1: Year-wise receipt of Suspicious Transaction Reports



Analysis of STRs

Chart 2: RE category-wise breakup of STRs received during 2013-14 to 2019-20



Processing of STRs

During FY 2019-20, the capabilities built in FINcore for identity and relationship resolution enabled FIU-IND to process **74,567 STRs** out of which **66,170 STRs** were disseminated.

Chart 3: Suspicious Transaction Reports Processed

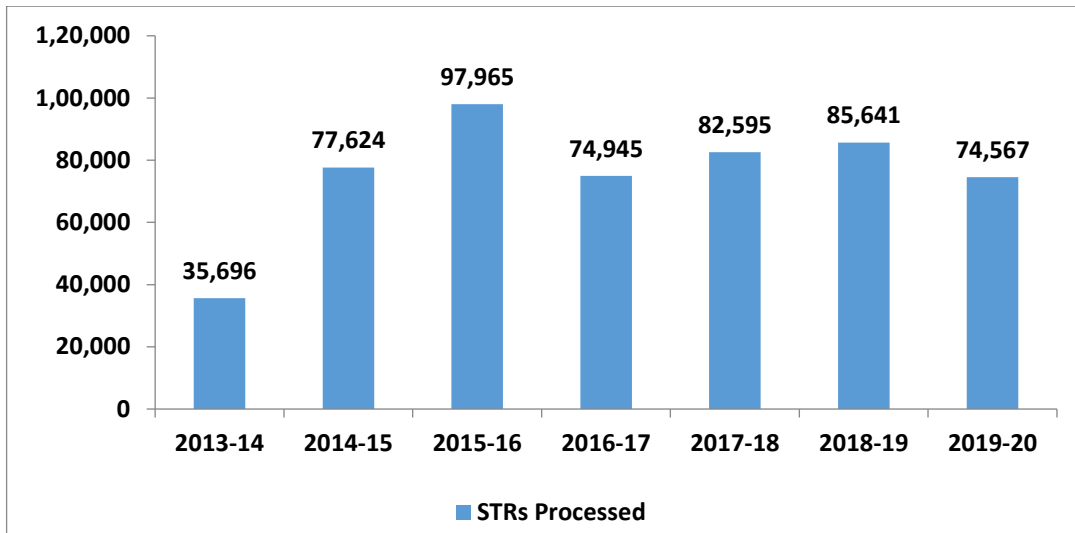
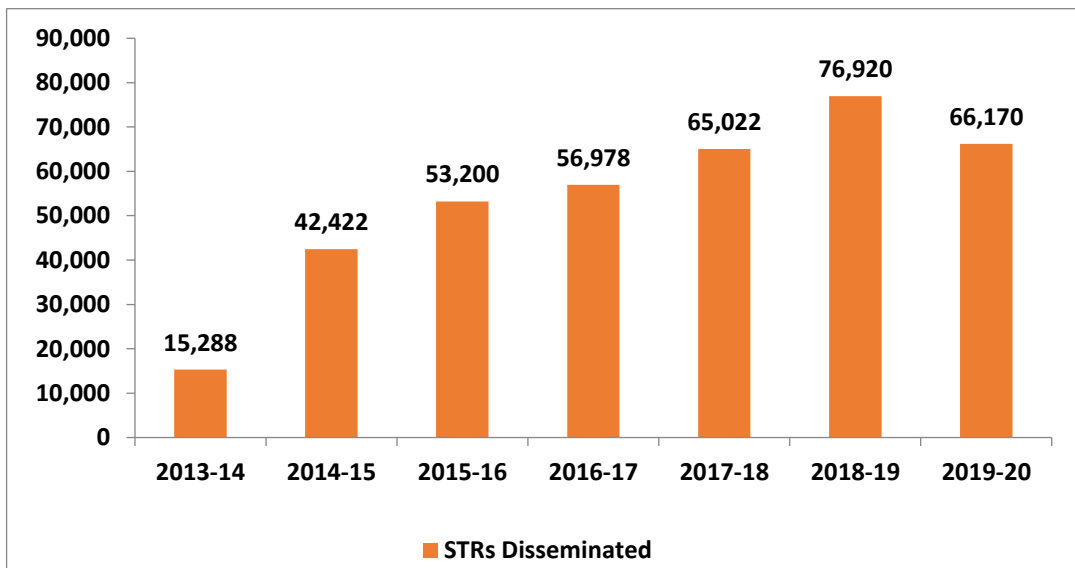


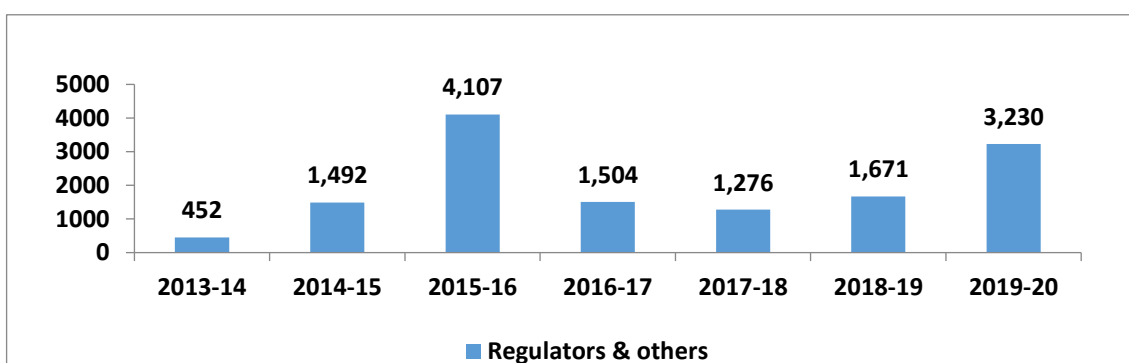
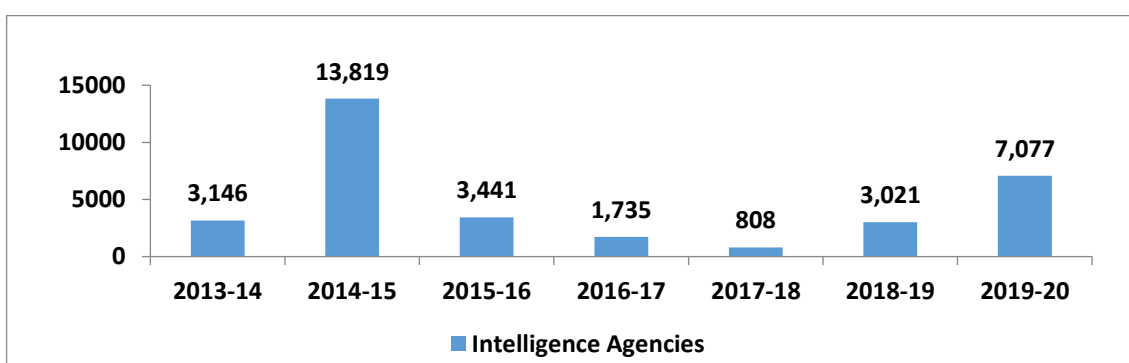
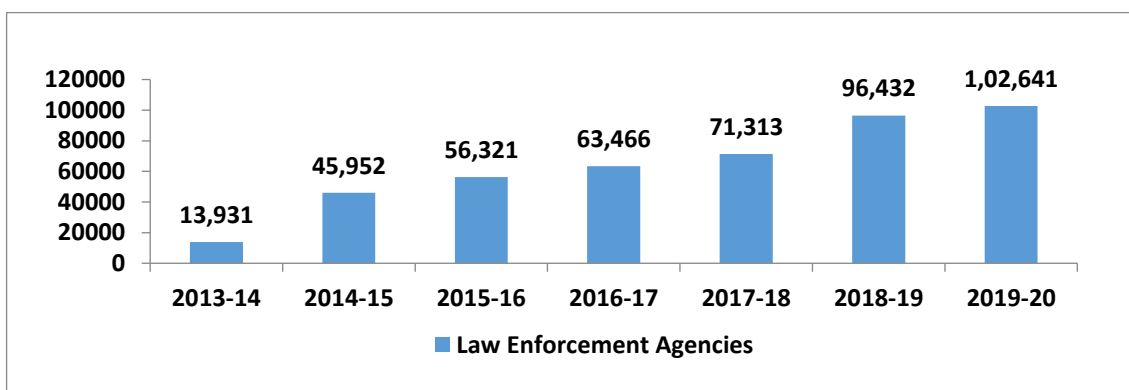
Chart 4: Suspicious Transaction Reports Disseminated



Dissemination of STRs

Details of STRs disseminated to various LEAs, IAs and regulators from 2013-14 to 2019-20 are given in Table. These figures represent the total disseminations as one STR can be disseminated to more than one agency.

Chart 5: Dissemination of Suspicious Transaction Reports to various Agencies



Isolation and Re-examination of STRs

During the year 2019-20, a data dump of 16 lakh pending STRs filed by REs were scrutinized revealing several filing deficiencies. In light of this, REs were requested to review the deficient STRs. In cases where after review it was concluded that the STRs merited reporting but had not been reported correctly and completely, REs were asked to re-file such STRs.

Important Cases

The number of STRs reported by the Reporting Entities (REs) in recent years has increased considerably. There are always certain STRs which are more important than the others, for reasons such as significantly higher value of reported suspicious

transactions compared to STRs of similar category. Such STRs require urgent and prompt law enforcement attention and action. Therefore, FIU-IND is always looking to prioritize certain STRs for processing and dissemination.

Given the challenge of increased reporting of the STRs by the REs, certain REs were asked to separately intimate to FIU-IND the filing of seemingly important STRs. In general, the quality of reporting of such STRs has been observed to be of very good quality. During FY 2019-20, 161 STRs were separately intimated to FIU-IND by the REs. These STRs were processed and disseminated to the LEAs on priority.

Learning from this experience, the practice of separately intimating important STRs has been extended to all major public sector and private sector banks. Whenever, and wherever required, the expectation of FIU-IND regarding the important STRs was communicated to the REs in most clear terms. Further, the work involving receiving of information concerning important STRs, processing & dissemination on priority, and giving of feedback to the REs, etc. has been instituted under Important Case Division Vertical of FIU, since 18.03.2020.

3.3. Cash Transaction Reports (CTRs)

Box 7: Definition of CTR

CTR as per PMLA

The Prevention of Money laundering Act, 2002 and the Rules thereunder require every banking company to furnish details of the following cash transactions:

- (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*

3.3.1. Receipt of information

Break-up of Cash Transaction reports received from various banking companies from FY 2013-14 to 2019-20 is presented in the following charts

Chart 6: Total Receipt of Cash Transaction Reports received from Banking Companies

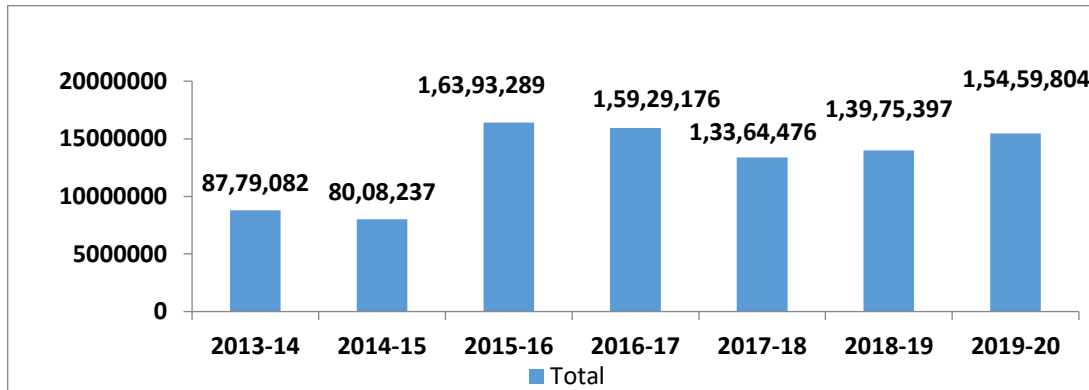


Chart 7: Receipt of Cash Transaction Reports from Public Sector Banks

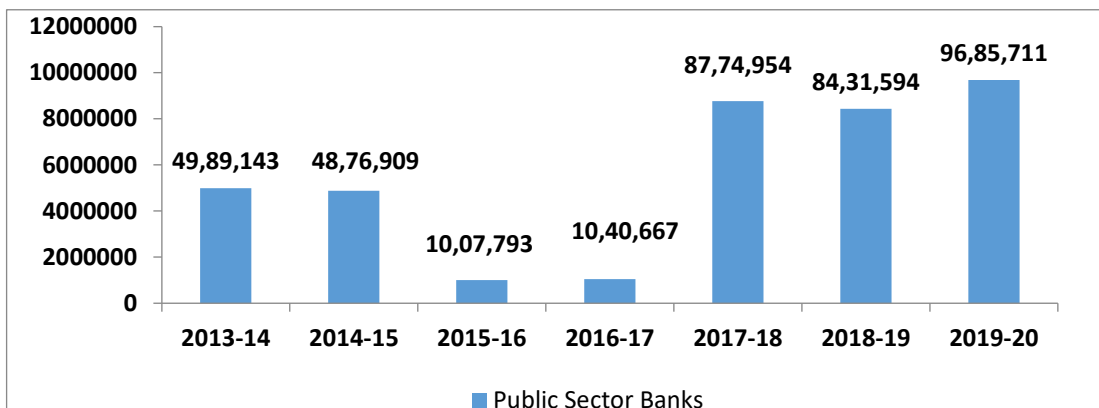


Chart 8: Receipt of Cash Transaction Reports from Private Indian Banks

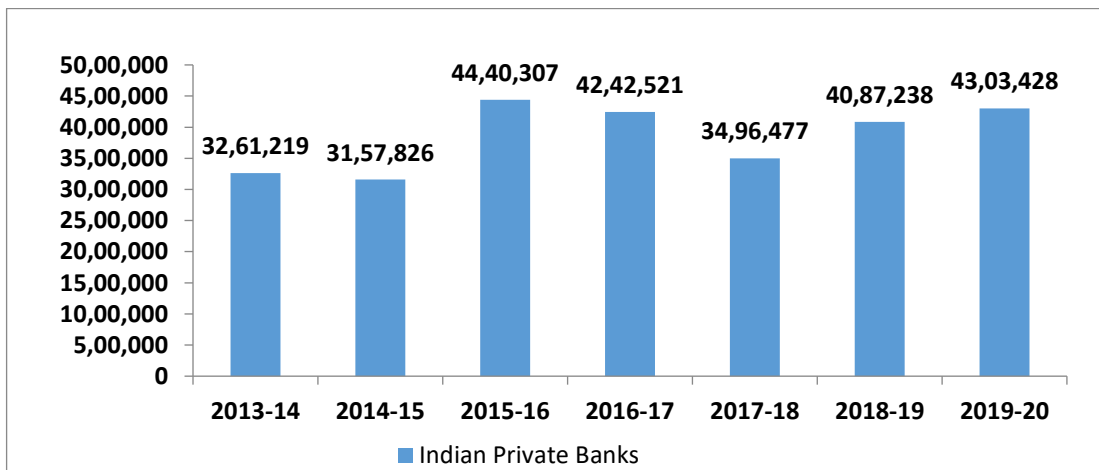


Chart 9: Receipt of Cash Transaction Reports from Private Foreign Banks

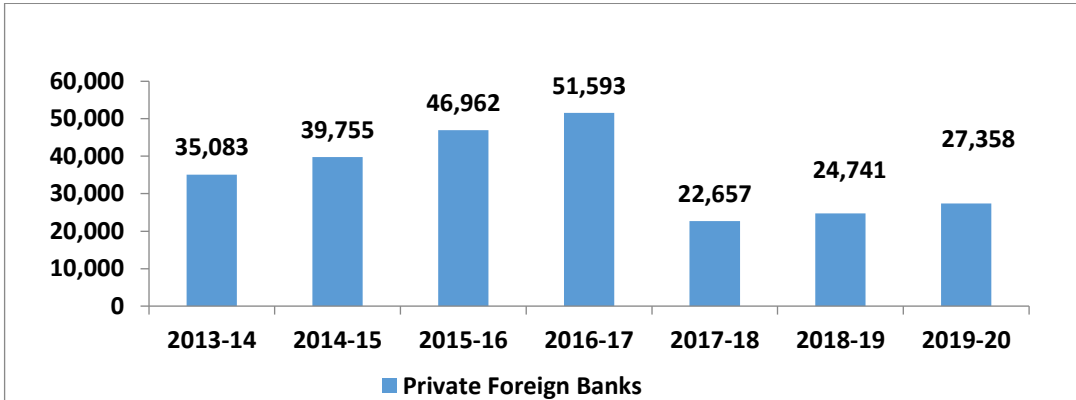
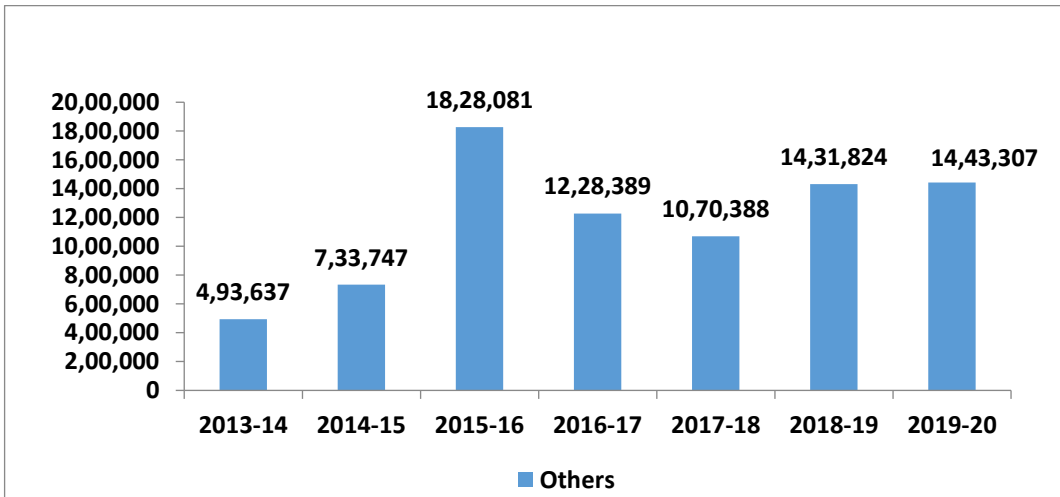


Chart 10: Receipt of Cash Transaction Reports from Other Banks



Box 8: Usage of CTR data base

The CTR database is used for:

- Processing of STRs
- Processing of request for information from LEAs/ IAs and Foreign FIUs
- CTR Analysis related to
 - High Risk Businesses
 - High Risk Geographic locations
 - Threshold Analysis (High Value Transaction)
- Recovery of uncollected tax demand
- Matching of Annual Information Report (AIR) of high-value transactions reported by various government authorities and financial institutions with CTR database to find out incidence of cash transaction near the date of property purchase and sale

- Identification of high-risk non-filers and stop filers and defaulters of obligations under the provisions of Income tax, GST and Customs etc.
- Analysis of cases of financial crimes reported in Media

3.4. Cross Border Wire Transfer Reports (CBWTRs)

3.4.1. Receipt of CBTWRs

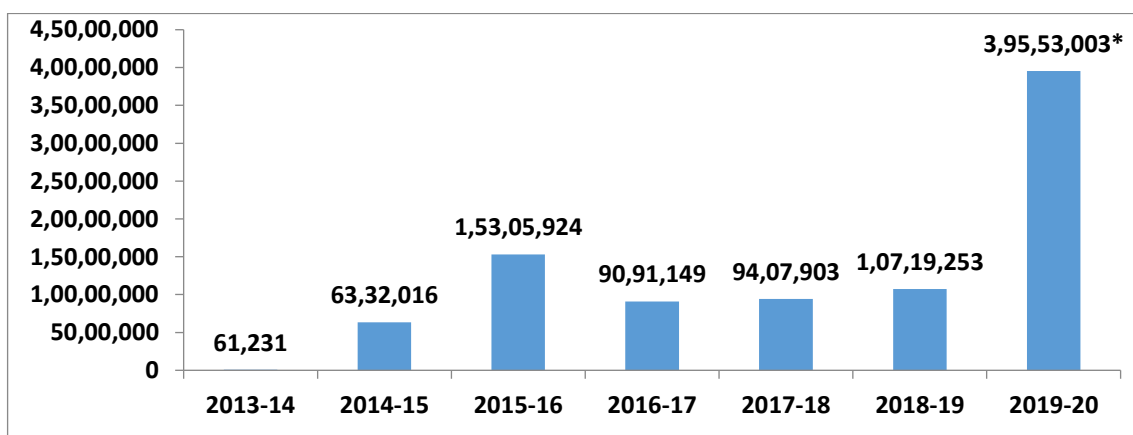
Box 9: Definition of CBWTR

CBWTR as per PMLA

The Prevention of Money laundering Act, 2002 and the Rules thereunder require every reporting entity to maintain and furnish the record of all cross border wire transfers of more than Rs. 5 lakhs or its equivalent in foreign currency, where either the origin or destination of the fund is in India

Annual trend of receipt of Cross Border Wire Transfer Reports (CBWTRs) received from various reporting entities from FY 2013-14 to 2019-20 is presented in the following chart

Chart 11: Receipt of Cross Border Wire Transfer Reports (CBWTRs)



*The surge in the numbers of CBWTRs is on account of re-filing after issuance of instructions to REs regarding filing of CBWTRs as explained in section 7.1

3.4.2. Analysis of CBTWRs

A strategic analysis of CBWTR data was carried out to examine the effectiveness and compliance of CBWTR reporting by REs. This data pertained to CBWTRs filed by 92 REs between April 01, 2014 and December 31, 2018. The major findings of the analysis concluded that several REs had not submitted complete information as available with them (viz. sender account number, sender account with institution name, receiver account number, receiver account with institution name, PAN number, purpose code, etc.) in the

prescribed reporting format. Based on this analysis, guidance note has been issued to the REs. For further details please refer section 7.2.

3.5. NPO Transaction Reports (NTRs)

Box 10: Definition of NTR

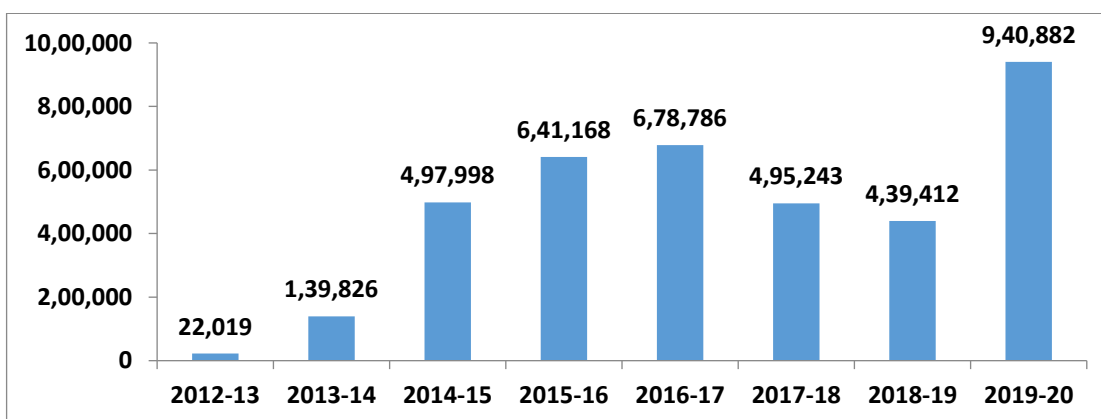
NTR as per PMLA

As per the Prevention of Money laundering Act, 2002 and the Rules there under the report of all transactions involving receipts by non-profit organizations of value more than Rs. 10 Lakhs or its equivalent in foreign currency should be submitted every month to the Director, FIU -IND by 15th of the succeeding month in the prescribed format.

Non-Profit Organisation (NPO) means any entity or organisation that is registered as a Trust or a Society under the Societies Registration Act, 1860 or any similar State Legislation or a company registered under Section 8 of the Companies Act, 2013.

3.5.1. Receipt of information

Chart 12: Receipt of NPO transaction Reports (NTRs)



3.6. Counterfeit Currency Reports (CCRs)

Box 11: Definition of CCR

CCR as per PMLA

Reporting entities are required to report all cash transactions, where forged or counterfeit currency notes or bank notes have been used as genuine or where any forgery of a valuable security or a document has taken place.

The position of Counterfeit Currency Reports (CCRs) received by FIU-IND is reflected in the graph below

Chart 13: Receipt of Counterfeit Currency Reports (CCRs)

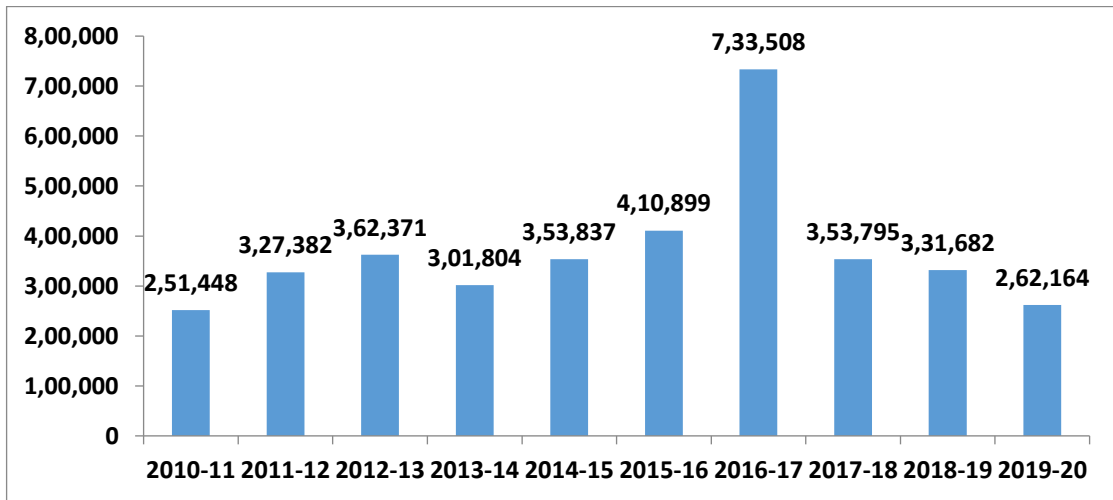


Chart 14: Counterfeit Currency Reports received from the Public Sector Banks

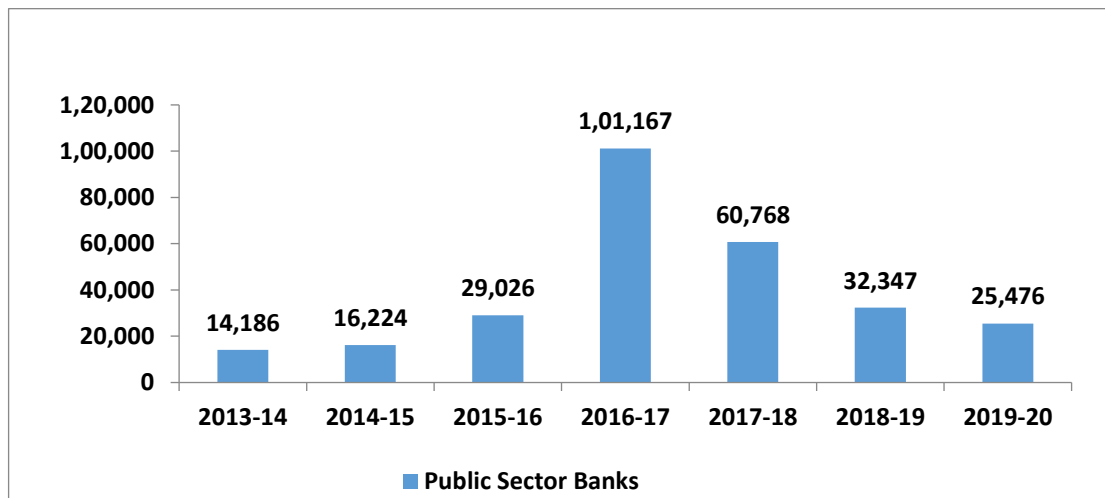


Chart 15: Counterfeit Currency Reports received from Indian Private Banks

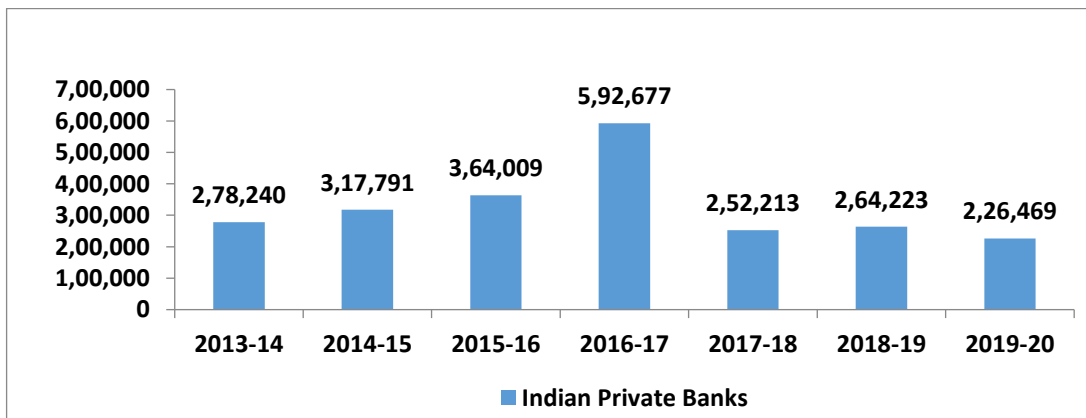


Chart 16: Counterfeit Currency Reports received from Private Foreign Banks

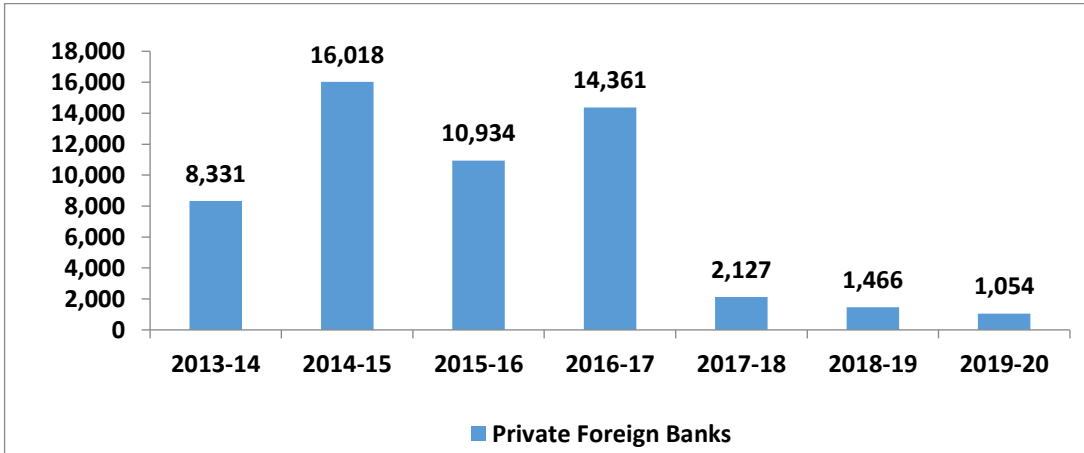
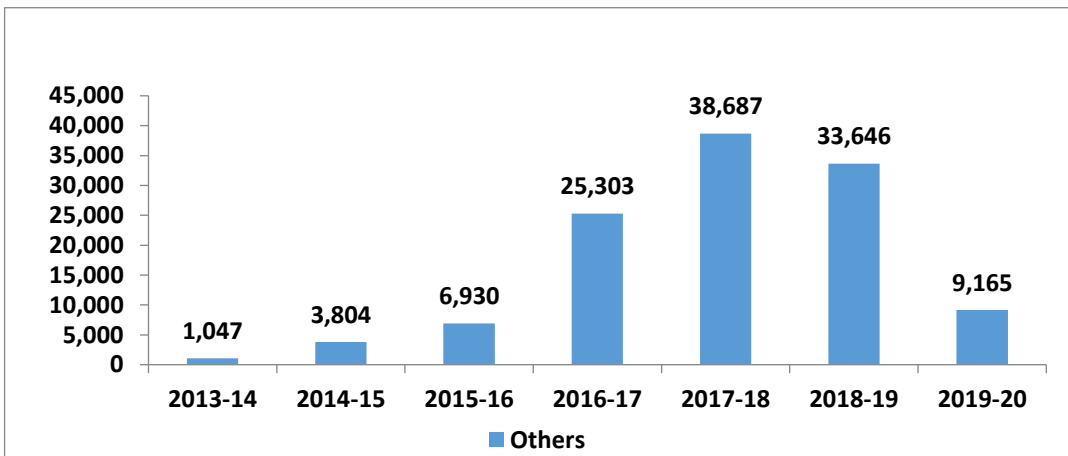


Chart 17: Counterfeit Currency Reports received from Other Banks



Chapter 4

Domestic Cooperation

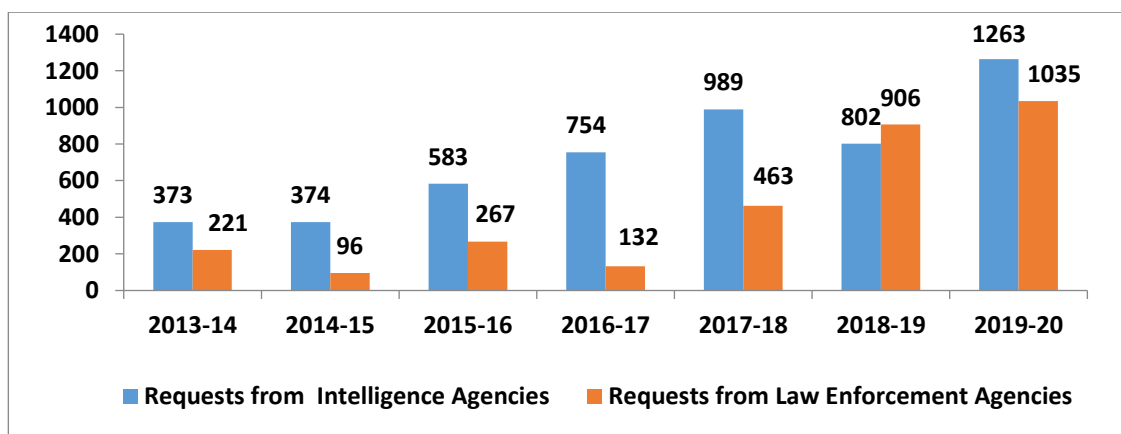
4.1. Cooperation with Law enforcement/intelligence agencies

Each law enforcement and intelligence agency partner of FIU-IND has a nodal officer to deal with all issues between the organizations and FIU-IND. FIU-IND organizes bi-monthly meetings with the nodal officers of the agencies for better coordination in information sharing and handling. FIU-IND also participates in the meetings of Economic Intelligence Council (EIC) and Regional Economic Intelligence Councils (REICs), convened by the CEIB, and interacts with the agencies of the State governments and Union Territories on a regular basis.

FIU-IND's database on cash and suspicious transactions are found very useful by domestic law enforcement and intelligence agencies. The agencies rely on information contained in FIU-IND databases not only for developing intelligence but also for strengthening ongoing investigations.

During the year, FIU-IND provided information in response to references on money laundering, terrorist financing, corporate frauds, organized crimes, fake/counterfeit Indian currency, tax evasion etc. as detailed in the following chart.

Chart 18: Number of references from domestic law enforcement/ intelligence agencies



Box 12: Role of FIU-IND in CFT

Role of FIU-IND in Combating Financing of Terrorism (CFT)

The definition of 'suspicious transaction' in the PML Rules specifically provides for reporting of suspect transactions relating to terrorist financing (TF). FIU-IND has been actively involved in, sensitizing reporting entities about their obligation to report STRs related to suspected cases of terrorist financing and also providing guidance on detection and reporting of such transactions. Specific Red flag Indicators (RFIs) have been issued for detection of Terror Financing STRs.

4.2. Collaboration with State Police Agencies

In order to counter crimes linked to money laundering and terrorism financing, FIU-IND actively collaborates with police forces of all States/UTs in India. Besides providing information requested by security agencies on suspected criminal or terror financing cases, FIU-IND actively engages with these agencies on case to case basis, in terms of day-to-day queries and replies. The mechanism has contributed in countering the financial activities of criminals and anti-nationals.

During FY 2019-20, FIU-IND officials attended the Conference of Anti-Terrorist Squads, Special Task Forces of State Police & Central Govt. Organisations at New Delhi in October, 2019.

4.3. Cooperation with Regulators

FIU-IND has developed a close relationship with financial sector regulators for strengthening AML and CFT regulations and holds regular meetings with the regulators to discuss matters of common interest. FIU-IND ensures that the guidelines issued by the regulators, namely, Reserve Bank of India (RBI), National Bank for Agricultural and Rural Development (NABARD), Securities and Exchange Board of India (SEBI), Insurance Regulatory Development Authority (IRDA), National Housing Bank (NHB), Pension Fund Regulatory & Development Authority (PFRDA) and Forward Market Commission (FMC), for adherence to KYC, AML and CFT norms, address FIU-IND's concerns. These circulars are also uploaded on the website of FIU-IND for quick reference.

FIU-IND continued its regular interaction with the industry associations and self-regulatory organizations (SROs) to develop a common understanding of obligations under PMLA, and improve compliance with reporting obligations under PMLA. FIU-IND also interacted with the Regulators for developing indicators for industry specific suspicious transactions. Sector-specific issues were identified from trend analysis of STRs and shared with concerned regulators for intervention. FIU-IND also assists regulatory authorities in training their staff to improve their understanding of AML/ CFT issues.

4.4. Memorandum of Understanding (MOUs)

FIU-IND has entered into Memorandums of Understanding (MoUs) with partner agencies in order to provide a structural framework for enhanced cooperation and understanding. The MOU provides for protection of the information disseminated by FIU-IND from unauthorized use and proliferation. In pursuance of these objectives, MoUs have been signed with RBI, MCA, SFIO, CBI, NCB, CBDT, CBIC, NIA, SEBI, IRDA etc.

4.5. National Risk Assessment

The Inter-ministerial Co-ordination Committee comprising representatives of concerned

ministries, Regulators and FIU-IND is involved in framing of the National Risk Assessment (NRA). FIU-IND conducts strategic analysis which is considered as input for the NRA.

4.6. Others

FIU-IND is also a member, and attends daily meetings, of the Multi Agency Centre (MAC) set up in the Ministry of Home Affairs specifically for exchange of terror related information.

Chapter 5

International Cooperation

5.1. Financial Action Task Force (FATF)

India is one of the 37-member jurisdictions and 2 regional organizations (European Commission and Gulf Co-operation Council) that are the members of the Financial Action Task Force (FATF). Officers from FIU-IND have been a part of the Indian delegation to FATF on a regular basis and have actively participated in the activities of the FATF and its working groups. The Director, FIU-IND attended the FATF Plenary at Paris, France in October, 2019.

5.2. FATF Style Regional Bodies (FSRBs)

FATF has certain FATF-Style Regional Bodies (FSRBs) having similar form and functions as those of FATF. Out of the 9 FSRBs, India is a member of 2 (two) viz., the Asia Pacific Group (APG) and the Eurasian Group (EAG). FIU-IND has been an active participant in the activities of both APG and EAG.

The APG facilitates the adoption, implementation and enforcement of internationally accepted anti-money laundering and anti-terrorist financing standards set out in the recommendations of the Financial Action Task Force (FATF). The Director, FIU-IND attended APG Joint Meetings in China (May, 2019 and January, 2020) and in Thailand (September, 2019).

The EAG plays an important role in ensuring effective interaction and cooperation at the regional level and integration of EAG member states into the international system of anti-money laundering and combating financing of terrorism in accordance with the Recommendations of the FATF and the anti-money laundering and combating financing of terrorism standards of other international organizations, to which EAG member-states are party. The Director, FIU-IND attended the 30th EAG Plenary at Moscow in May, 2019.

5.3. Egmont Group of FIUs

The Egmont Group of FIUs promotes international cooperation and free exchange of information among all FIUs. It aims to provide a forum for FIUs to improve understanding and awareness of issues and an opportunity for enhancement of their capacities to develop intelligence to combat money laundering and terrorist financing.

The 164 member FIUs undertake to subscribe to the Egmont Group principles and work for co-operation and exchange of information on the basis of reciprocity or mutual agreement and follow the basic tenets laid in the Egmont Charter.

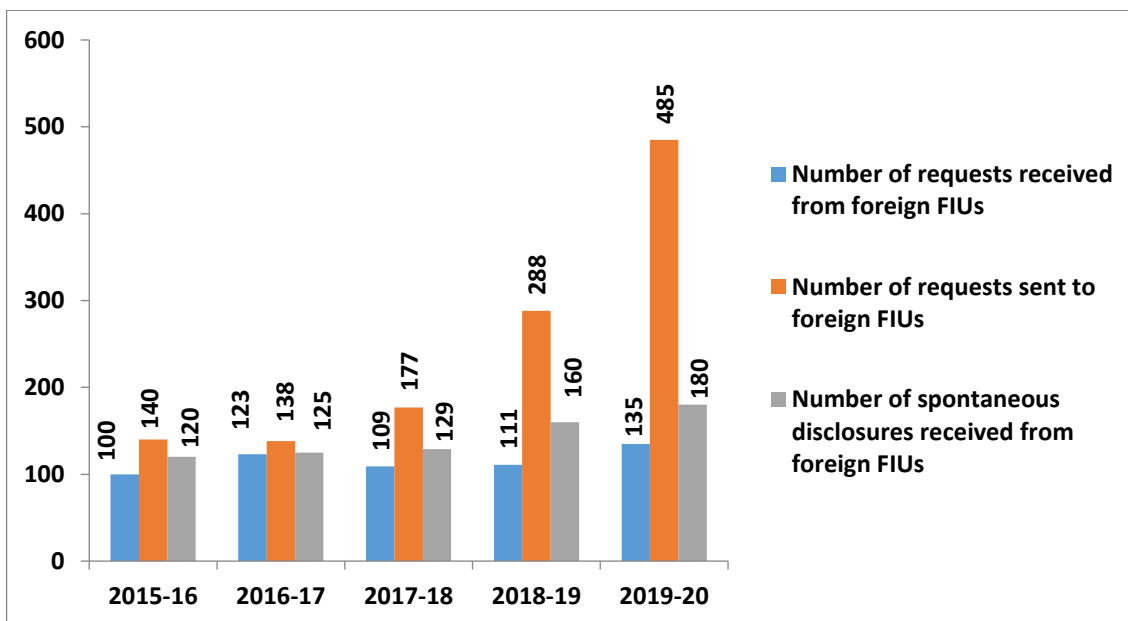
FIU-IND has been a member of the Egmont Group since 2007. Ever since its membership, FIU-IND has played an active role in the activities of the Egmont Group participating in the meetings of Working Groups such as the Membership Support & Compliance working group (MSCWG), Information Exchange Working Group (IEWG) and Policy & Procedure Working Group (PPWG) of the Egmont Group.

During FY 2019-20, FIU-IND participated in the 26th Egmont Group Plenary, Netherlands in July, 2019 and the Egmont Group meeting at Mauritius in January, 2020.

5.3.1. Co-operation and exchange of information with other FIUs

FIU-IND continues to foster a strong relationship with the FIUs of other countries. Being a member of the Egmont Group, FIU-IND adheres to the Egmont principles of free exchange of information and actively exchanges information with counterpart FIUs. FIU-IND ensures that all requests for information are replied to, in time, including cases where no information could be found. The statistical information regarding the number of cases in which requests were made by FIU-IND to other FIUs and the number of cases where FIU-IND received requests from other FIUs is in the chart below.

Chart 19: Exchange of information with foreign FIUs



All the requests received from foreign FIUs during the period (2019-20) have been replied by FIU-IND. However, so far, FIU-IND has received reply to 82% of the requests sent to various foreign FIUs. Against these replies which were further shared with concerned LEAs, feedbacks have also been received in some of the cases from one of the Indian agency on whose behalf request was made. It has been found that the information provided by foreign FIUs in response to the requests, in 63% cases, has been found useful by the domestic LEA.

Feedbacks have also been received against some of the Spontaneous Disclosures which were received from foreign FIUs and shared with domestic LEAs. As per the feedback received, 89% of the spontaneous information has been found useful by the concerned LEA.

5.3.2. Memorandum of Understanding with counterpart FIUs

Although FIU-IND does not require signing of Memorandum of Understanding (MoU) with foreign FIUs for exchange of information and can exchange information on the basis of reciprocity, MoUs are negotiated to formalize the nature and scope of mutual co-operation, provide a structured framework for better understanding and enhance the level of co-operation.

FIU-IND has initiated MoUs with several countries since 2008 resulting in signing of MoUs with 43 countries till the previous year⁶. **During 2019-20, two MOUs were signed with the FIUs of Macao and Maldives.** MoUs with other countries are under various stages of negotiation.



Exchange of MoU for bilateral cooperation between FIU India and FIU of Maldives on December 13, 2019 at New Delhi

⁶ A complete list of MoUs signed with other countries till 31.03.2020 is in Appendix E

5.4. Joint Working Groups on Counter Terrorism

FIU-IND participates in the Joint Working Groups (JWGs) on Counter Terrorism set up by the Government of India with various countries for evaluating the AML/CFT vulnerabilities and national risk assessment for the country. During 2019-20, FIU-IND participated in the 13th Meeting of the Indo-UK Joint Working Group on Counter Terrorism at London in November, 2019.

5.5. Others

FIU-IND continues to actively participate and contribute in the activities of various other regional and international bodies dealing with AML/CFT issues. FIU-IND officials attended the 2nd Annual 'No Money For Terror' – Ministerial Conference on Counter-Terrorism Financing at Melbourne, Australia in November, 2019.

Chapter 6

Raising awareness and Capacity building of Reporting Entities

The success of an FIU depends largely on the ability of reporting entities ineffectively identifying and reporting transactions. FIU-IND continued its focus on increasing awareness of the reporting entities about their reporting obligations under PMLA and building capacities to ensure better compliance.

FIU-IND has focused on developing Red Flag Indicators for different sectors in order to facilitate the process of STR reporting. The Red Flag Indicators-

- Create a common and shared understanding about the STR detection and reporting systems.
- Provide indicative lists of high risk customers, products, services and geographies.
- Provide commonly used alerts for detection of suspicious transactions.
- Provide guidance for alert management and preparation of STRs.

As in earlier years, FIU-IND adopted a multi-pronged strategy to enhance awareness through the FIU's website, seminars and workshops. FIU-IND supported the regulators, industry associations, professional bodies and reporting entities by providing resource persons for seminars and workshops organized by them. The training material prepared by FIU is made available to all reporting entities to conduct their own training seminars.

6.1.FIU website

The FIU-IND website (<https://fiuindia.gov.in>) is a user-friendly site containing information on AML/CFT issues including PMLA and its amendments, rules and regulations, relevant circulars and instructions issued by Regulators and the reporting formats. FIU-IND has also developed software utilities for e-filing of reports in the FINnet portal for use by the smaller reporting entities that have limited IT infrastructure. These utilities are available for free download on the website.

6.2. Seminars and workshops

During the year, FIU-IND participated in 68 workshops/seminars on AML/CFT awareness in collaboration with regulators, industry associations, professional bodies and reporting entities, in which around 2,844 persons participated.

Outreach Activity	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Seminars and Training workshops	34	31	38	13	11	83	68
Number of Participants	2,447	1,366	1,600	606	515	3,475	2,844

Table 1: Outreach Activity

(i) Regional Conference in collaboration with Punjab Police at Mohali

FIU-IND conducted a one day workshop on 20th November, 2019 in collaboration with Punjab Police at their headquarters in Mohali. This workshop was the first in line of a series of workshops at regional level to target the LEAs and REs in those particular regions. The workshop was attended by around 70 participants, covering LEAs and REs of the Northern region of India. The main participants included the senior police officers from Jammu & Kashmir, Himachal Pradesh, Punjab, Haryana, and Chandigarh, officers of the Income-tax Department, ED, DRI, NCB and other intelligence agencies. Besides, some local officers representing various REs also participated in the workshop. The workshop included topics ranging from the role of FIU, strengthening the LEA-FIU-RE coordination, new technologies, trends in economic offences, and the issues faced by field officers in investigation of criminal and terror related cases. Detailed discussions took place as to how to improve the systems further to enhance coordination to disrupt illicit financial flows and strengthen AML/CFT network.





Highlights Regional Conference in collaboration with Punjab Police at Mohali

(ii) Seminar/Workshop on PMLA in association with Gujrat Urban Cooperative Banks Federation at Ahmadabad.

Officers from FIU-IND addressed a gathering of around 70 Principal Officers and CEOs of co-operative banks in Gujarat on reporting obligations of REs under PMLA at Ahmadabad on 22nd November, 2019.



Highlights of Workshop on PMLA in association with Gujrat Urban Cooperative Banks Federation at Ahmadabad

(iii) Regional seminar at Bhopal.

As part of its outreach efforts, FIU-IND organized, in association with Income Tax Department, Bhopal, a full day Regional Seminar on the topic **‘Sensitization of Reporting Entities (REs) and Law Enforcement Agencies (LEAs) from the States of Madhya Pradesh and Chhattisgarh w.r.t. obligations under PMLA’** on 20th December, 2019 at Bhopal.

The seminar was attended by more than 100 Reporting Entities (REs) from Madhya Pradesh and Chhattisgarh, ranging from District Central Co-operative Banks (DCCBs), Urban Co-operative Banks (UCBs), Regional Rural Banks (RRBs), Non Banking Financial Companies (NBFCs), Full Fledged Money Changers (FFMCs), Share Brokers etc. The seminar was attended by 37 officers and inspectors from law enforcement agencies and regulatory bodies viz. CBI, ED, RBI, SEBI, IRDA, CBDT, DRI, DGGI and EOW.

During the seminar the Director and the officers from FIU-IND emphasized on the key role played by the REs in prevention and detection of money laundering activities and stressed on the need for prompt filing of statutory reports by such entities. The sessions conducted included information regarding the obligations of REs under PMLA, shortcomings observed in reporting, legal issues and compliance matters.

This was the first time that the region of Chhattisgarh was covered in an outreach activity by FIU-IND. Many small and medium NBFCs attended the event and had their doubts and difficulties resolved. Officers of FIU-IND also clarified doubts and addressed the issues faced by Nodal Officers of Law Enforcement Agencies who are at the cutting edge of financial investigation.





Highlights of the Regional Seminar at Bhopal

6.3. Review Meetings

FIU-IND holds review meetings are held with the Principal Officers and Designated Directors of reporting entities. Some of these meetings are in the nature of compliance reviews, where *inter alia*, AML/KYC policies, internal procedures of the reporting entities are reviewed and lapses if any, are henceforth communicated to the reporting entities.

The representatives of regulators and industry associations are also invited to discuss industry-specific issues and develop a common understanding of issues across a sector. Sector-specific meetings aid and assist FIU-IND to evaluate the AML performance of individual reporting entities as compared with their peers, and to enable individual reporting entities to benchmark their performance. Common queries/issues of various sectors are also addressed.

During 2019-20, reviews of various banks and securities market intermediaries were initiated to measure the effectiveness of their AML/CFT Compliance Divisions. 36 review meetings were conducted with the Principal Officers of the reporting entities covering 166 officers during the year 2019-20.

Outreach Activity	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Review Meetings	25	29	43	16	13	13	36
Number of Participants	580	592	557	208	100	83	166

Table 2: Outreach Activity

Officers of FIU-IND participated in the meeting with National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) to refine and standardize the fortnightly alerts being sent to FIU-IND with respect to the market intermediaries.

Meetings with leading bankers/ stock market brokers/firms/depository participants/NBFCs were held in FIU-IND office in order to spread awareness about AML/CFT regulation and reporting requirements under the PML Act and Rules. The meetings were also useful in understanding and rectifying the deficiencies observed by REs in the Ground of Suspicion, while reporting STRs.

6.4. Train the Trainers Programme 2019-20

FIU-IND organises an annual ‘Train the Trainer’s programme where delegates from Reporting Entities, Law Enforcement Agencies and Regulators are invited for discussions with experts on various topics related to AML and CFT. The Train the Trainer Programme for F.Y. 2019-20, which was proposed to be called, "Annual Conference on Anti-Money Laundering (AML) and Combating of Terrorism (CFT) for Financial Institutions”, was scheduled to be held on March 16th & 17th 2020, at Vigyan Bhawan, New Delhi where over 400 delegates were invited. Unfortunately, the conference had to be called off at the last minute due to the spread of COVID-19 pandemic this year.

Chapter 7

Ensuring compliance to reporting obligations under PMLA

FIU-IND ensures compliance of the various obligations by reporting entities such as banking companies, financial institutions, intermediaries etc. as set out under the PMLA and the Rules thereunder.

Other than conducting workshops, seminars and review meetings to raise awareness among REs, FIU-IND undertakes compliance actions by issuing guidelines, warnings and imposing penalties.

7.1. Issuance of Guidelines on filing of Cross Border Wire Transfer Reports (CBWTRs)

(i) As discussed in para 3.4.2, the strategic analysis of CBWTR data revealed deficiencies in filing by REs such as submitting incomplete or incorrect information. In this regard, meetings were held with POs of some major CBWTR filers at FIU-IND's office at New Delhi to understand the nuances of CBWTR reporting.

(ii) Meanwhile, based on the request of REs, FIU-IND issued '*Instructions regarding filing of CBWTRs including filing in cases of rejected / invalidated CBWTRs / EFTs*' dated May 23, 2019, re-iterating FIU-IND's stance that the reporting entity must furnish information prescribed by law to FIU-IND on the basis of information available with the reporting entity, highlighting that though certain fields in the prescribed reporting format for CBWTRs / EFTs have been classified as mandatory fields and others as non-mandatory fields, that such classification is only for the purpose of technical validation and generation of data quality report of the reports filed and they do not in any way give leeway to the reporting entity to not report information otherwise available with it to FIU-IND on the ground of such classification of fields in the reporting format.

(iii) Show Cause Notices were issued to REs requiring them to explain reasons for such incorrect / incomplete CBWTR filing. As a result, many such REs had approached FIU-IND through Indian Banks' Association (IBA) requesting for issuance of a comprehensive guidance note on CBWTR reporting nuances, for which meetings were held with the IBA and their core KYC / AML Committee team members comprising of POs of some major public sector, private sector and foreign banks in September 2019. In October 2019, a comprehensive guidance note was finalized in consultation with ISMG Vertical and '*Guidance regarding filing of Cross Border Wire Transfer Reports (CBWTRs / EFTs)*' dated November 20, 2019 was issued by FIU-IND through the FINnet portal.

Post issuance of such guidance to REs, in order to ensure that the CBWTR database with FIU-IND is correct and complete, letters were issued to 105 REs to confirm whether

historical reports filed by them were complete and correct and if not, REs were instructed re-file defective CBWTRs.

7.2. Issuance of Guidelines for Filing of STRs

FIU-IND issued clarifications regarding Model Template for STRs and Guidelines for filing STRs on 18th July, 2019. Vide the guidelines, provisions of the PMLA were brought to the notice of the Reporting Entities and the Principal Officers were reminded that they are required to furnish the information as prescribed by law on the basis of information available with them. This includes information to be furnished while reporting STRs. It is imperative to note that an STR is a critical report under PMLA and PML Rules and therefore the 'Grounds of Suspicion' must clearly reflect the Customer Due Diligence (CDD)/Enhanced Due Diligence (EDD) conducted by the RE. Filing STRs by mentioning only the alert indicator/Red Flag Indicator (RFI) in the GoS column suggests lack of application of mind while reporting STRs and thus must be avoided. Further, deficiencies such as reporting invalid values were highlighted.

It was further emphasized that complete and correct information need to be furnished in each and every STR filed by the RE. POs were advised to ensure quality of reports through application of human intelligence while avoiding sole reliance on machine intelligence while filing an STR.

7.3. Working Group to Review RFIs

Sub-rule 3 of Rule 7 of the Prevention of Money Laundering (Maintenance of Records) Rules 2005 as amended from time to time empowers the Director, FIU-India to issue guidelines in consultation with the concerned Regulator for detecting and reporting Suspicious Transaction Reports (STRs). Accordingly, guidelines had been issued to banks in this regard from time to time on various topics such as detecting suspicious TBML transactions dated 5.11.2015, Guidance Note on effective process of STRs detection and reporting for co-operative banks dated 18.03.2016, Guidance Note on effective process of STRs detection and reporting for scheduled commercial banks dated 24.10.2017 read with clarification dated 21.6.2018, Guidelines on detecting suspicious transactions related to Terror Financing/ NGOs/ FICN dated 13.03.2018, Guidelines on detecting suspicious transactions related to finance components of Afghan drug business dated 16.03.2018. As part of these guidelines, Red Flag Indicators (RFIs) for generation of alerts were issued and Reporting Entities (REs) were advised to implement these RFIs.

On 20.09.2019, Director, FIU-India constituted a Working Group to review all RFIs issued to Banks till date vide aforesaid Guidelines and suggest a consolidated revised list of RFIs to be implemented by all Banks. The Working Group comprised of representatives from Banks, RBI and FIU-IND officers. The working group deliberated on the following issues:

- (a) Need to issue consolidated list of RFIs as a single reference point for all Banks.

- (b) Categorization of all RFIs into two categories – those which can be implemented as part of AML software (online) and those which are difficult to be so implemented (offline).
- (c) Single list of all RFIs for all Banks including co-operative banks
- (d) Need to develop some guidance note on fixing thresholds for RFIs.
- (e) Need to rephrase/clarify certain RFIs, consider new RFIs and rationalize existing RFIs .

7.4. Proceedings under the PMLA and PML Rules

7.4.1. Proceedings before the Director, FIU-IND

Section 13 of the Act confers on the Director, FIU-IND powers to make inquiry into cases of failure by an RE to comply with the obligations on it laid under of Section 12 of the Act and the Rules thereunder. These obligations include verification of clients, maintaining records of transactions and reporting STRs, CTRs, CBWTRs, etc.

Section 13 of the Act also empowers the Director, FIU-IND to impose a monetary penalty on any reporting entity for its failure to comply with the obligations enumerated under the Act and the Rules.

The Compliance Vertical of FIU-IND assists the Director, FIU-IND in issuing show cause notices, advisories, passing orders, levying fines in respect of reporting entities. During the Financial Year 2019-20, the Director, FIU-IND has:

- (i) Issued 82 show cause notices to various reporting entities;
- (ii) Granted opportunities of personal hearing to several reporting entities;
- (iii) Passed 17 orders;
- (iv) Issued letters of directions/warning/advisory to 4 REs for their failure to comply with the provisions of the PMLA and the rules thereunder;
- (v) Issued 13 penalty orders.
- (vi) Imposed monetary penalty aggregating Rs. 19.46 crores.

This demonstrates that there has been a constant endeavour by the FIU-IND to improve compliance of the PMLA and the rules thereunder by the reporting entities through imposition of penalty, issuance of warning, directions for taking corrective measures or advisories.

Chapter 8

Organizational Capacity Building

The field of AML and CFT is extremely dynamic because perpetrators of financial crimes keep on evolving new methods and typologies continuously. Therefore, FIU-IND strongly believes in capacity building of its officers and human resources. It is ensured that all the officers are well versed and updated with various aspects of Indian financial system, sector-specific laws and regulations, regulatory framework etc. FIU-IND continues to engage with training institutions of repute both within the country and across the globe.

8.1. Trainings and Workshops Attended

FIU-IND proactively and regularly works on upgrading and enhancing the skills of its employees by providing them opportunities for training on AML/CFT and related economic issues.

During the year, FIU-IND officials attended the following training and workshop events:

Date	Training / Workshop
03-07 June, 2019	Course on International AML & CFT Standard, Singapore
26-30 August, 2019	AML & CFT Training Course, Moscow
09-12 December, 2019	Joint EAG & FATF TFREIN Training on Counter Proliferation Financing, Moscow

Table 3: Trainings and Workshops

8.2. Visits by Foreign Delegations

FIU-IND has regularly hosted foreign delegations for the purpose of training and technical assistance. During 2019-20, FIU-IND hosted officers from Nepal undergoing training at the National Academy of Customs, Indirect Taxes & Narcotics (NACIN), Faridabad to have an understanding of the functioning of FIU-IND as well as Special Training programme for Nepal officers on AML and CFT under ITEC.

Chapter 9

Strengthening IT infrastructure

9.1. Existing systems

FIU-IND's information technology called **Financial Intelligence Network (FINnet)** was launched in October 2012 to support the functioning of FIU-IND by providing a robust technological backbone and set up an efficient system to aid collection, processing and dissemination of financial data.

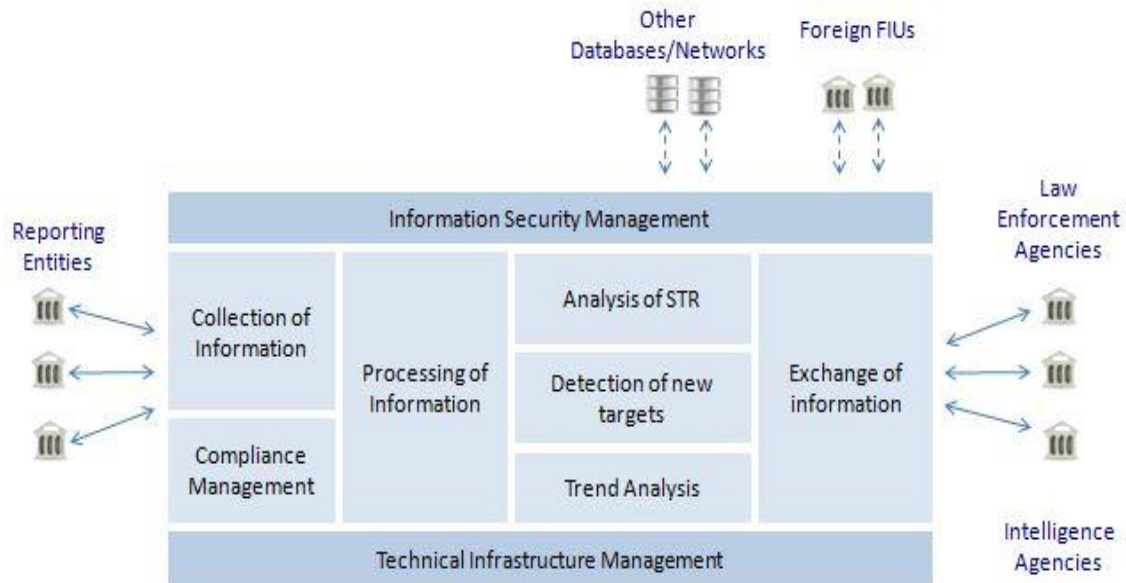
Box 13: Objectives of FINnet

Objectives of FINnet

- i. Build efficient system for collection of data from Reporting Entities to reduce the lead time in processing the data.*
- ii. Build capacity to effectively analyze large number of reports and produce quality intelligence.*
- iii. Build efficient system for dissemination and exchange of information with other Agencies.*
- iv. Build adequate internal capacity in terms of administrative support and knowledge base that will make FIU-IND an agile organization to meet its changing needs.*
- v. Adopt an array of security measures and internal controls.*

FINnet is one of the pioneer IT systems of its kind that provides end-to-end solution to all the information technology needs of FIU-IND, including receiving, analyzing and disseminating information, and provides a two way electronic communications system between the FIU and the reporting entities on the one hand, and the FIU and the enforcement agencies on the other, through a secure network.

The figure below provides a high level overview of the functioning of the FINnet project under these three functional areas:



FINnet enables the reporting entities to furnish reports online using its **FINgate** portal. The **FINcore** portal of the FINnet processes the reports received from the reporting entity and links all relevant reports in the database using rules of **identity and relationship resolution (IRR)**. A case formed around an STR thus contains not only the information received from a particular reporting entity but also all relevant information/ reports furnished by other reporting entities. Thus a lot of value is added to the information received from the reporting entities before the same is disseminated to the agencies for investigation through the **FINex** portal of the FINnet.

FINex is the primary platform for two-way electronic exchange of information with the domestic agencies. The module has functionality for uploading bulk requests by the domestic agencies. FIU holds regular workshops and demonstration of the functionalities of FINex, including its bulk request utility, to explain this information exchange framework.

Since it went live in 2012, FINnet has witnessed a reassessment of processes and technology as necessitated by changes in the legal and operational framework. Its operations have stabilized and it is able to process more than 50,000 reports per day.

However, keeping in view the exponential growth in the information received in FIU over the years, and evolving regulatory & technological changes, FIU-IND has conceptualized a major upgrade of FINnet, called **FINnet 2.0** to increase the effectiveness of its operations. FINnet 2.0 will adopt the latest technology to cater to the growing sophistication of analytical and data processing needs of FIU-IND.

9.2. FINnet 2.0

FINnet 2.0 has been conceptualized to accommodate complete technology refresh of the existing FINnet system followed by augmentation with new components and functionalities to increase the efficiency and effectiveness of the FINnet ecosystem.

This will encompass the redevelopment and revamp of the existing FINnet application, redesign of processes to improve compliance, and strengthening of the strategic and tactical analysis capabilities of FIU-IND. The core objectives of this project will include:

- Building a more efficient system for collection of data from reporting entities, reducing case backlogs and improving the user experience.
- Advancing analytical capabilities to generate more accurate linkages, enabling deeper insights through an enriched profile of suspicious entities, with integration of additional government and commercial databases and deployment of AI / ML, to enable better decision making by analysts.
- Building efficient and intelligent mechanisms for dissemination and exchange of information with other agencies.
- Equipping law enforcement agencies with analytical tools for enhanced analysis of the cases disseminated to them.
- Setting up of a training cell and Learning Management System to conduct online and classroom trainings and enable continuous learning for all users in the FIU ecosystem.
- Setting up of a dedicated Strategic Analysis Lab to stay abreast of the developments and applications of emerging technologies for AML, recommend best practices and generate insights to strengthen the functioning of FIU-IND.
- Strengthening security by adopting an array of best-in-class measures, standards, tools and internal controls for information security.

As a part of the exercise to identify the functional requirements for FINnet 2.0, various stakeholder interactions and workshops were conducted to understand the challenges faced by users while using the existing system and the expectations from FINnet 2.0.⁷

⁷ The development of FINnet 2.0 system commenced in August 2020 with on boarding of the Managed Service Provider (MSP) selected through a competitive bidding process. The system design and development are underway, and the system is envisioned to go-live in 2022.

9.3. Target Beneficiaries

The success of a project can only be judged by the benefits it confers on the various stakeholders. The following table summarizes the expected benefits of FINNet 2.0:

9.3.1. Stakeholders envisaged benefits

Financial Intelligence Unit	<p>Adoption of global best practices and procedures for operational transformation led by technology</p> <ul style="list-style-type: none"> ➤ Enhanced and improved validations on the input reports ➤ Capability to handle increased workload ➤ Advanced analysis powered by best in class technology ➤ Improved compliance and continuous handholding ➤ Better utilization of Government resources in areas of value-added services, on account of outsourcing of non-core activities
User groups (REs and FIU analysts and approvers)	<ul style="list-style-type: none"> ➤ Uniform and well-defined processes ➤ Additional data sources for continuous learning and awareness ➤ Trainings for requisite skill enhancement ➤ Improved employee skills and domain expertise due to increased focus on core activities
LEAs	<ul style="list-style-type: none"> ➤ Quick and speedy dissemination of relevant cases ➤ Better turnaround time for ad hoc requests ➤ Better usability and configurability of LEA facing functionalities ➤ Seamless, Omni channel communication framework for all interactions

9.4. The Way Ahead

1. A Digitally incisive & comprehensive Nodal Intelligence Framework

Project FINnet 2.0 encapsulates certain associated modules and capabilities as per best international practices which will augment FIU-IND's core operations. These modules including Strategic Analysis Lab (SAL), Training Cell and Learning Management System (LMS), Unified Communication Cell (UCC) are expected to be operational shortly. The FINGate 2.0 system is also expected to be operational for the Reporting Entities by August 2021.

2. Early detection, containment and investigation of money laundering cases

The envisaged system shall allow the FIU-IND to conduct faster processing of reports and generation of cases, thereby reducing the lead time between reporting and dissemination of cases.

3. Increased focus on strategic analysis

FIU-IND is built on three pillars namely – Strategic, operational and tactical analysis. The operations tasks are proposed to be supported by state-of-the-art technology. This would provide depth and bandwidth to focus on strategic and tactical initiatives FIU-IND. New typologies can be devised, frequent review of red flags can be done and new sectors can be identified to combat money laundering and terrorist financing in the nation.

Strategic Analysis Lab (SAL) has been envisioned to act as a focused group dedicated to providing strategic support to FIU-IND by conducting research in the Anti-Money Laundering (AML) space and exploring innovation in this domain. The lab is expected to conduct research on the best practices adopted by other FIUs. The lab will comprise AML Experts and Data Scientists, who will spearhead different projects on an ongoing basis.

4. Outreach Diversification & Ease of Communication

The Training Cell is also expected to go-live in March-April 2021 and will facilitate continuous capacity building of REs, LEAs and FIU users through online and offline trainings on all relevant topics including Prevention of Money Laundering Act (PMLA) and rules, reporting obligations, AML measures and best practices, money laundering typologies etc. The LMS is being designed by keeping in mind the innovations that have revolutionized online learning platforms and also by an empathetic needs analysis of the varied financial sectors in which the Reporting Entities operate.

The UCC will dedicatedly provide support to all user groups and address their issues related to report submission, case dissemination, user creation etc. on a continuous basis. Additionally, the UCC will also support the users through Virtual Assistant (VA), IVRS cum agent driven assisted grievance redressal. The UCC is expected to be operational by August 2021.

Appendix-A: Staff strength of FIU-IND

Post	Sanctioned strength	Working as on March 31, 2020
Director	1	1
Additional Director / Joint Director	10	9
Technical Director	1	1
Joint Director Systems	1	0
Deputy Director Systems	2	0
Deputy / Assistant Directors	21	11
Assistant Director Systems	6	0
Group B, C & D	33	10
Total	75	32

** In addition, 25 persons were working on contract basis, to make up the shortfall in regular appointments.*

FIU-IND Team: List of Officers as on 31.03.2020

Director		Deputy Directors
Pankaj Kumar Mishra		Narendra Choubey
		Rajan Kanojia
Additional Directors		Satyeshwar Prasad Uniyal
Priya Sahu		Jasvinder Singh
Shravan Kumar Gotru		Devi Sahai Misra
Manoj Kaushik		S. D. Sharma
Manish Kumar Hairat		Ajay Sachdev
Srujani Mohanty		Nikita Garg
Chaitanya Shukla		Salil Bijur
Sanjay Kumar		Himanshu Roy
Shailesh Thakur		
		Assistant Directors
Joint Director		Harish Kumar
Vinod Kumar		
		Consultants
Technical Director (NIC)		Sushil Kumar
Hemant Kumar		Pankaj Rajbanshi
		N.K. Saraswat
		Radhika Narang
		Onkar Tripathi
		V. Shukla
		Rajbir Singh
		V.K. Singh
		A.K. Raina

Appendix-B: Chronology of important events (2019-20)

May 15-17, 2019	Attended Asia Pacific Joint Group Meeting, China
May 27-31, 2019	Attended 30 th EAG Plenary, Moscow
Jul 1-4, 2019	Attended 29 th Egmont Group Plenary
Sep 9-13, 2019	Attended Asia Pacific Joint Group Meeting, Thailand
Oct 13-18, 2019	Attended FATF Plenary, Paris
Nov 7-8, 2019	Attended No Money for Terror – Ministerial Conference for CT Financing, Melbourne
Nov 20, 2019	Regional Conference in collaboration with Punjab Police, Mohali
Nov 22, 2019	Seminar/Workshop on PMLA in association with Gujarat Urban Cooperative Banks Federation, Ahmadabad
Nov 25-26, 2019	Attended 13 th Meeting of the Indo-UK Joint Working Group on Counter Terrorism
Dec 3, 2019	Visit by officers of Nepal undergoing training at NACIN, Faridabad
Dec 13, 2019	Signed MoU with Maldives
Dec 20, 2019	Regional Seminar in association with Income Tax Department, Bhopal
Jan 19-23, 2020	Asia Pacific Joint Group Meeting, Beijing
Jan 27-31, 2020	Egmont Group Meeting 2020, Mauritius
Feb 16-21, 2020	FATF Plenary Meeting, France
Mar 18, 2020	Signed MoU with Macao

Appendix-C: Important Amendments Rules/Notifications under PMLA

Date	Notice No.	Description
01.07.2005	1/2005	Appointed 1st July 2005 as the date on which all the provisions of the Prevention of Money Laundering Act, 2002 (PMLA) shall come into force.
01.07.2005	2/2005	Appointed an Adjudicating Authority to exercise jurisdiction, powers and authority conferred by or under the PMLA. 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 Delhi.
01.07.2005	3/2005	Specified that the New Delhi Bench of the Adjudicating Authority shall exercise jurisdiction, powers and authority conferred by or under the PMLA over the whole of India.
01.07.2005	4/2005	Established an Appellate Tribunal at New Delhi to hear appeals against the orders of the Adjudicating Authority and the authorities under the PMLA.
01.07.2005	5/2005	Conferred certain exclusive and concurrent powers under the PMLA to the Director, Financial Intelligence Unit, India.
01.07.2005	6/2005	Conferred certain exclusive and concurrent powers under the PMLA to the Director of Enforcement.
01.07.2005	7/2005	Specified 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.
01.07.2005	8/2005	Specified Rules for receipt and management of confiscated properties.
01.07.2005	9/2005	Specified 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 of securities market.
01.07.2005	10/2005	Specified 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.

01.07.2005	11/2005	Specified 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.
01.07.2005	12/2005	Specified 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.
01.07.2005	13/2005	Specified Rules for the manner of receiving the records authenticated outside India.
01.07.2005	14/2005	Specified Rules for the purpose of appeals under PMLA.
13.12.2005	15/2005	Amended Rules 5, 7, 8 and 10 of the Rules notified by Notification No. 9/2005
27.06.2006	6/2006	Specified the authorities to whom Director, FIU-IND can furnish information under Section 66 of the PMLA.
24.05.2007	4/2007	Amended definition of suspicious transaction (Rule 2), counterfeit currency transaction [Rule 3(1)(c)], due dates for furnishing reports (Rule 8) and requirement of verification of the records of the identity of clients (Rule 9)
12.11.2009	13/2009	Amended Rule 2, 3, 5, 6,7, 8, 9 and 10 of the Rules notified by Notification No. 9/2005.
12.02.2010	67/2010	Amended requirements of maintenance of accounts and definition of beneficial owner.
16.06.2010	10/2010	Amended Rule 2, 9, & 10 to include explanation to the definition of ‘Suspicious Transaction’ as transaction involving financing of activities related to terrorism, obligation to determine beneficial owner, ongoing due diligence, prohibition of keeping or opening anonymous or fictitious accounts, etc.
16.12.2010	14/2010	Amended Rule 2 & 9 to expand the list of ‘officially valid documents’ (Rule 2) by including letter issued by NREGA and Aadhaar Number issued by UIDAI and inserted provisions to enable opening of ‘small account’.
24.06.2011	6/2011	Amended the name of PML rule as notified vide Notification No 9/2005 to ‘The Prevention of Money Laundering (Maintenance of Records) Rules, 2005’.
27.8.2013	12/2013	Prevention of Money-laundering (Maintenance of Records) Amendment Rules, 2013 notified.

24.09.2014	DL33004/19 99	Notified that any person carrying on the business, either on its own behalf or on behalf of the reporting entities, of storing, safeguarding and retrieving the records of the documents shall be deemed to be a person carrying on designated business or profession.
01.04.2015	Finance Act, 2015 (20 of 2015)	<ul style="list-style-type: none"> • The definition of “proceeds of crime” was widened to include property taken or held outside the country as a result of criminal activity. • In case of offences specified under Part B of the Act, value involved in such offence was increased from Rs.30 Lakhs to Rs.1 Crore. • Amendments were made in sections 5, 8, 20, 21 & 60 of the Act. • In the Schedule to the Act after Part A, Part B was added which includes Section 132 – false declaration, false documents etc. of the Customs Act, 1962.
07.07.2015	GSR, 544(E) & 730(E)	<ul style="list-style-type: none"> • The definition of “Central KYC Records Registry” was incorporated in rule 2(1)(aa) and related changes were made in rules 2(1)(ca), 9(1), 9(2), 9A, 10(1) & 10(2). Other changes included explanation of the term Managing Director and Whole time Director in accordance with the Companies Act, 2013; inclusion of National Population Register in the list of “officially valid document”; validity of documents like utility bill (electricity bill, telephone bill, postpaid mobile phone bill, piped gas bill, water bill etc.) in case of simplified measures. • Vide another amendment in Rule 7(3), Director FIU was empowered to issue guidelines in consultation with regulators for detecting transactions referred to in Rule 3(1).
11.09.2015	GSR 693(E)	The period for setting up of Central KYC Records Registry for the purpose of receiving, storing, safeguarding and retrieving the copies of KYC obtained by the reporting entities from their client was enhanced from 30 days to 90 days
22.09.2015	GSR 730(E)	In Rule 2(1)(d) of the Prevention of Money laundering (Maintenance of Records) Rules, 2005 explanation in respect of Officially valid document was provided
18.11.2015	GSR 882(E)	The period for setting up of Central KYC Records Registry for the purpose of receiving, storing, safeguarding and retrieving the copies of KYC obtained by the reporting entities from their client was enhanced from 90 days to 180 days

17.02.2016	GSR 136(E)	Defence Intelligence Agency was added under section 66 of the Prevention of Money Laundering Act, to whom information can be disseminated.
12.04.2017	GSR 347(E)	Amendment were made in Rule 2(1)(fa) of the Prevention of Money laundering (Maintenance of Records) Ruled, 2005 vide which the definition of Regulator was inserted. Another rule viz. 9B relating to Inspection by RBI was inserted in the abovementioned rules.
01.06.2017	GSR 538(E)	It provided for submission of Aadhaar and Permanent Account Number within stipulated time period, at the time of commencement of an account based relationship with a reporting entity by the clients and also for those clients already having an account based relationship with reporting entities prior to date of this notification It also provided for cessation of operation of account in case of failure of compliance of the rules by the clients.
04.05.2018	3/2018	Designated the Multi-State Co-operative Society registered under the Multi-State Co-operative Societies Act, 2002 (39 of 2002) as a “person carrying on designated business or profession”.
08.05.2018	GSR 437(E)	National Technical Research Organization (NTRO) added under section 66 of the Prevention of Money Laundering Act, to whom information can be disseminated.
25.07.2018	GSR 674(E)	Military Intelligence added under section 66 of the Prevention of Money Laundering Act, to whom information can be disseminated.
13.02.2019	GSR 108(E)	Amended rules in Prevention of Money-laundering (Maintenance of Records) Rules, 2005 in respect of Aadhaar number
23.07.2019	Ins. by Act 14 of 2019, S.27 (w.e.f. 25.07.2019)	Section 11A regarding Verification of identity by Reporting Entity.
01.08.2019	Ins. by Act 23 of 2019, S195(w.e.f. 01.08.2019)	Section 12AA regarding enhanced due diligence
01.08.2019	Ins. by Act 23 of 2019, S195(w.e.f. 01.08.2019)	Section 72A regarding constitution of Inter-Ministerial Coordination Committee

Appendix D: Obligations of Reporting Entities under PMLA

Obligation	When
Communicate the name, designation and address of the Designated Director and Principal Officer to FIU-IND	At the time of appointment/ change of Designated Director and Principal Officer
Formulate and implement a Client Due Diligence (CDD) Programme to determine true identity of clients	Initially and in pursuance of any change being prescribed by the Regulator
Identify the client, verify their identity and obtain information on the purpose and intended nature of the relationship	At the time of commencement of account-based relationship and after commencement of the account-based relationship
Verify identity of the client	At the time of carrying out a transaction for an amount equal to or exceeding Rupees fifty thousand or any international money transfer operation
Determine whether a client is acting on behalf of a beneficial owner and identify the beneficial owner and take all steps to verify the identity of the beneficial owner	At the time of commencement of the relationship and at the time of any change in beneficiary/ authorized person
Obtain a certified copy of documents in evidence of identity and address and a recent photograph and other documents in respect of the nature of business and financial status of the client (as may be prescribed by the Regulator)	At the time of commencement of account-based relationship and after commencement of the account based relationship
Evolve internal mechanism for maintaining and furnishing information	Ongoing
Maintain record of all transactions that allows reconstruction of individual transactions including the nature of transaction, the amount and currency of transaction, the date of the transaction and the parties of the transaction	Ongoing

Examine transactions and to ensure that they are consistent with the business and risk profile of the customer	As an ongoing due diligence
Furnish Cash Transaction Report (CTR) to FIU-IND containing specified cash transactions	Within 15th day of succeeding month (Monthly Reporting)
Furnish Counterfeit Currency Report (CCR) to FIU-IND Furnish report in respect of Non-Profit-Organizations (NPOs)	Within 15th day of succeeding month (Monthly Reporting)
Furnish Suspicious Transaction Report (STR) to FIU-IND containing details of all suspicious transactions whether or not made in cash, including attempted suspicious transactions	Within 7 working days on being satisfied that the transaction is suspicious.
Furnish Cross Border Wire Transfer Report to FIU-IND containing specified cross border transactions	Within 15th day of succeeding month (Monthly Reporting)
Furnish Report on Registration of Properties to FIU-IND (by Registrar and Sub-Registrar of Properties)	Every Quarter by 15th day of the month succeeding the quarter
Maintain records of identity of clients	For a period of 5 years after the business relationship between a client and the reporting entity has ended or the account has been closed whichever is later.
Maintain records of all transactions	For a period of 5 years from the date of transaction between a client and the reporting entity
Keep the information maintained, furnished or verified confidential	Ongoing

Appendix E: List of MoUs Signed till 31.03.2020

Sl.No.	Name of Foreign FIU	Date of signing of the MOU
1	Mauritius	11-02-2008
2	Philippines	11-03-2008
3	Brazil	27-05-2008
4	Malaysia	21-10-2008
5	Russia	05-12-2008
6	Australia	26-05-2009
7	Canada	21-10-2009
8	USA	03-03-2010
9	Sri Lanka	26-03-2010
10	Georgia	26-04-2010
11	San Marino	30-06-2010
12	Bermuda	12-10-2010
13	Nigeria	12-10-2010
14	Japan	08-11-2010
15	Indonesia	25-01-2011
16	Israel	12-07-2011
17	Poland	12-07-2011
18	Singapore	24-10-2011
19	Nepal	17-11-2011
20	Thailand	30-05-2013
21	Guernsey	04-07-2013
22	Montenegro	04-07-2013
23	South Africa	04-07-2013
24	Ukraine	18-02-2014
25	Bangladesh	03-06-2014
26	Fiji	03-06-2014
27	Belarus	20-06-2014
28	Uzbekistan	20-06-2014
29	Senegal	10-06-2015
30	Saudi Arabia	03-04-2016
31	TOGO	02-06-2016
32	Qatar	05-06-2016

Sl.No.	Name of Foreign FIU	Date of signing of the MOU
33	Kazakhstan	11-11-2016
34	Tazikistan	17-12-2016
35	Bahrain	01-02-2017
36	Vatican City State	01-02-2017
37	Macedonia	07-04-2017
38	Myanmar	15-07-2017
39	Kyrgyz Republic	24-11-2017
40	Egypt	24-06-2018
41	United Arab Emirates	24-06-2018
42	Bhutan	19-07-2018
43	Cyprus	03-09-2018
44	Maldives	13-12-2019
45	Macao	18-03-2020

Glossary

AML	Anti -Money Laundering	NABARD	National Bank for Agriculture and Rural Development
APG	Asia Pacific Group on Money Laundering	NBFC	Non-banking Financial Company
CBDT	Central Board of Direct Taxes	NCB	Narcotics Control Bureau
CBIC	Central Board of Indirect Taxes & Customs	NHB	National Housing Bank
CBI	Central Bureau of Investigation	NIA	National Investigation Agency
CBWTR	Cross Border Wire Transfer Reports	NTR	Non- Profit Organisation Transaction Report
CCR	Counterfeit Currency Report	PFRDA	Pension Funds Regulatory and Development Authority
CDD	Client Due Diligence	PMLA	The Prevention of Money Laundering Act, 2002
CFT	Combating Financing of Terrorism	RBI	Reserve Bank of India
CTR	Cash Transaction Report	REIC	Regional Economic Intelligence Committee
DRI	Directorate of Revenue Intelligence	RFI	Red Flag Indicators
EAG	Eurasian Group	RFP	Request For Proposal
ED	Enforcement Directorate	SEBI	Securities and Exchange Board of India
FATF	Financial Action Task Force	SFIO	Serious Fraud Investigation Office
FINex	FINnet Exchange	SI	System Integrator
FINnet	Financial Intelligence Network	STR	Suspicious Transaction Report
FIU-IND	Financial Intelligence Unit, India	TBML	Trade Based Money Laundering
IBA	Indian Banks' Association	TF	Terror Financing
IRDA	Insurance Regulatory and Development Authority Act,1967	UAPA	The Unlawful Activities (Prevention) Act
JWG	Joint Working Group	UNSCR	United Nations Security Council Resolution
KYC	Know Your Customer	XML	Extensible Markup Language
LEA	Law Enforcement Agency		
MAC	Multi Agency Centre		
MCA	Ministry of Corporate Affairs		
MoU	Memorandum of Understanding		
MSP	Managed Service Provider		
NTRO	National Technical Research Organization		

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