

Order in original No. 15/DIR/FIU-IND/2024 in the matter of Bybit Fintech Limited u/s Section 13 dated 31.01.2025

1. Bybit Fintech Limited (Bybit) by virtue of operating as Virtual Digital Asset Service Provider (VDA SP) carrying on designated business or profession as other activities under Section 2(sa)(vi) of the Prevention of Money Laundering Act (PMLA), 2002 (hereinafter referred to as 'the Act') is a Reporting Entity (RE) in terms of Section 2(1) (wa) of the Act.
2. Consequently, due to Bybit's ongoing provision of services to Indian clients and operations within India without adhering to its statutory obligations under the PMLA a Notice dated May 07, 2024, was issued to Bybit pursuant to Section 13 of the Act, compelling Bybit to demonstrate why appropriate action should not be undertaken against it for its dereliction of duties under the Act, despite its status as a Reporting Entity owing to its operations as a Virtual Digital Asset Service Provider (VDA SP).
3. After considering the written and oral submissions of the Bybit, Director, FIU-IND, based on the material available on record, found that the charges against Bybit were substantiated. Consequently, the Director FIU-IND vide order dated 31st January, 2025 in exercise of powers under Section 13 PMLA, imposed a total penalty of ₹ Rs. 9,27,00,000 (Nine crore twenty-seven lakh rupees) on the Bybit with reference to following violations committed by the Bybit.
 - i. Contraventions of Section 12(1) of the PMLA, 2002, read with Rule 3(1)(D), Rule 7(1), Rule 7(2), Rule 7(3), Rule 8(2), and Rule 8(4) of the PML Rules, 2005.
 - ii. Contraventions of Section 13 of the PMLA, 2002, read with Rule 2(1)(h)(i), Rule 2(1)(h)(ii), and Rule 2(1)(h)(iii);
 - iii. Contraventions of Section 13 of the PMLA, 2002, read with Rule 3(1)(D), Rule 7(2), Rule 7(3), Rule 8(2), and Rule 8(4) of the PML Rules, 2005.
4. Furthermore, specific directions have also been issued to Bybit to ensure diligent compliance with the obligations outlined in Chapter IV of the Prevention of Money Laundering Act (PMLA) of 2002, in conjunction with the PMLA Maintenance of Record Rules (PMLA Rules) of 2005 for prevention of money laundering activities and combating the financing of terrorism (AML/CFT).

Disclaimer: The summary of the instant order is only representational in nature and does not hold any legal significance and cannot be relied upon or referred to as a precedence in any other case.