

Sub: Summary of Order-in-Original No. 01/DIR/FIU-IND/2023 dated 27.02.2023 in the matter of Elite Wealth Limited (Formerly known as Elite Wealth Advisors Limited), (Reporting Entity) – reg.

As part of its supervisory functions under PMLA, FIU-IND takes up cases where apparent or potential non-compliances of relevant obligations have been observed with a view towards identifying weaknesses in the safeguards implemented by ‘reporting entities’ and conducting enforcement activity where non-compliances are found. In relation to the securities market such actions are important to ensure that all possible safeguards, as required by law, were effectively implemented by the Reporting Entities so as to ensure malicious actors do not take advantage of the capital flows therein. In this regard, FIU-IND works closely with various sectoral regulators including, as relevant to the present matter, the Securities and Exchange Board of India (“SEBI”).

Based on a reference from the SEBI highlighting alleged non-compliance with PMLA guidelines by **Elite Wealth Limited**, FIU-IND had taken up the case for further analysis in order to examine whether there was any non-compliance by the Reporting Entity with respect to the obligations under Chapter IV of PMLA.

After examining the material on record and the submissions made, **Elite Wealth Limited**, was found to have breached the relevant obligations in respect of its:

- (i) Failure of the Reporting Entity to properly raise an alert and consider adverse orders of SEBI from the perspective of AML transactional monitoring and reporting obligations.
- (ii) In respect of the underlying transactions in January 2022, failure of the Reporting Entity to properly investigate and review the same alerts;

In view of the same and due to the deficiencies observed in the mechanism implemented by the Reporting Entity, it was found appropriate to issue **monetary penalty of Rs 1 Lac** under section 13(2)(d) to **Elite Wealth Limited** along with detailed directions to the Reporting Entity under section 13(2)(a) and 13(2)(b). **Elite Wealth Limited** was further required to return, within a period of 30 days, a certification under signature of its Designated Director and Principal Officer that the directed measures would be implemented within the periods prescribed.

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.