

Sub: Summary of Order-in-Original No. 25/DIR/FIU-IND/2022 in the matter of Indica Travels & Tours Pvt Ltd., New Delhi – reg

The RBI has shared findings of its inspection of ‘**Indica Travels & Tours Pvt Ltd.**’, with FIU-IND, pertaining to non-filing of STRs and failure to put in place a board-approved policy framework on KYC/AML/CFT, by the reporting entity.

2. Accordingly, vide Show-Cause Notice (SCN) dated March 7, 2019, the reporting entity was called upon to explain as to why suitable directions including directions for imposition of penalty should not be passed against the Reporting entity under section 13 of the Act read with section 12 of the Act and rules 3 and 7 of the Rules, 2005 for non-filing of valid CTRs and STRs, failure to evolve effective internal mechanisms for detecting and reporting of suspicious transactions, failure to put in place a board-approved policy framework on KYC/AML/CFT and failure to appoint and register with FIU-INDIA its Designated Director and Principal Officer.

3. The Reporting entity submitted its reply to the SCN and in accordance with the principles of natural justice the Reporting entity was granted opportunity of personal hearing through its authorised representatives.

4. After considering the submissions of the reporting entity, vide Order-in-Original No. 25/DIR/FIU-IND/2022 dated 31st October, 2022, the Director, FIU-IND disposed of the adjudication proceedings instituted against the Reporting entity vide the Show-Cause Notice dated March 7, 2019 and in exercise of the powers conferred under section 13(2)(d) of the Act imposed monetary penalty of ₹ **One lakh only (₹1,00,000/-)** for non-compliance of section 12 of the Act, read with rule 7 of the Rules, 2005 by the Reporting entity, viz. failure to evolve effective internal mechanism to detect and report suspicious transactions reportable as STRs, under section 12 of the Act, read with Rules 7(3) of the PML Rules, 2005.

5. In terms of section 13(2)(a) of the Act, the Director, FIU-IND issued a warning to the reporting entity to ensure timely intimation of any future changes in its principal officer and designated director to FIU-INDIA in accordance with rule 7(1) of PML Rules, 2005. In terms of section 13(2)(b) of the Act, the Director, FIU-IND directed the reporting entity to re-examine its system so as to evolve an effective mechanism for detection and reporting of suspicious transactions as mandated under PML Act, 2002, PML Rules 2005 and guidances issued by FIU-INDIA and the regulator, within 30 days from the receipt of this penalty order.

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