

Sub: Summary of Order-in-Original No. 3/DIR/FIU-IND/2022 in the matter of Kodoli Urban Cooperative Bank Ltd., Kolhapur, Maharashtra – reg

The RBI has shared findings of its inspection of '**Kodoli Urban Cooperative Bank Ltd.**', with FIU-IND, wherein it was pointed out that the Bank had not filed CTRs since March 2016.

2. Accordingly, vide Show-Cause Notice (SCN) dated 29th July, 2019, the Bank was called upon to explain as to why suitable directions including directions for imposition of penalty should not be passed against the Bank under section 13 of the Act read with section 12 of the Act and rules 3, 5 and 7 of the Rules, 2005 for non-filing of CTRs and for failure to evolve an effective internal mechanism to detect and report to Director, FIU-IND complete information in respect of cash transactions of the value more than Rs. 10 lakh.

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

4. After considering the submissions of the Bank, vide Order-in-Original No. 3/DIR/FIU-IND/2022 dated 11th February, 2022, the Director, FIU-IND disposed of the adjudication proceedings instituted against the Bank vide the Show-Cause Notice dated 29th July, 2019 and in exercise of the powers conferred under section 13(2)(d) of the Act imposed monetary penalty of **₹ Four lakh sixty thousand only (₹4,60,000/-)** for non-compliance of section 12 of the Act, read with rules 3, 5 and 7 of the Rules, 2005 by the Bank, viz. delay in filing of 36 CTRs and for the failure to evolve an effective internal mechanism to detect and report cash transactions reportable as CTRs under section 12 of the Act, read with Rules 3(1)(A), 3(1)(B), 5(2), 7(2), 7(3), and 7(4) of the PML Rules, 2005.

5. Further, the Director, FIU-IND advised the Bank to exercise caution in future regarding compliance with the obligations under the PML Act, 2002 and PML Rules, 2005.

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.