

Order in original No. 01/DIR/FIU-IND/2025 in the matter of Union Bank of India u/s Section 13 dated 08/04/2025

1. Union Bank of India (UBI) by virtue of Banking company is reporting entity as per Section 2 (1) (wa) 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. Based on FIU-INDIA's review of compliance by UBI with regard to its obligations under the PMLA 2002, a Notice dated November 06, 2020, was issued to UBI pursuant to Section 13 of the Act, compelling UBI 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 banking company.
3. After considering the written and oral submissions of the UBI, Director, FIU-IND, based on the material available on record, found that the charges against UBI were substantiated. Consequently, the Director FIU-IND vide order dated 8th April, 2025 in exercise of powers under Section 13 PMLA, imposed a total penalty of ₹ Rs. 37,00,000 (Thirty-Seven lakh rupees) on the UBI with reference to contraventions of Section 12 of the PMLA, 2002, read with Rule 3, Rule 7, and Rule 9 of the PML Rules, 2005.
4. Furthermore, specific directions have also been issued to UBI 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.