

**F.No. 19-2/2022/Compl/FIU-IND**  
**Government of India**  
**Ministry of Finance**  
**Financial Intelligence Unit – India**

September 29, 2022

6th Floor, Tower-2,  
Jeevan Bharti Building,  
Connaught Place,  
New Delhi – 110001

To,  
All Reporting Entities  
(u/s 2(1)(wa), PMLA)

**Subject: FIU-IND Personal Hearing Policy**

All Reporting Entities are requested to take note of the FIU-IND Personal hearing Policy which has been prepared to further streamline adjudicatory functions of Director, FIU-IND under Section 13, PMLA.

The policy is intended to apply prospectively to all REs which may be issued a show cause notice by FIU-IND subsequent to its date of issue. The same policy has been finalised after a stakeholder consultation in March 2022 in response to which several REs had shared their comments and observations which have been duly considered.

This issues with the approval of Director, FIU-IND.

Shailesh Thakur  
Additional Director, FIU-IND

Enclosed:  
Personal Hearing Policy for information of REs.

## Personal Hearing Policy – FIU-IND

**Scope: This Policy applies to ‘reporting entities’ (as defined u/s Section 2(1)(wa) of the Prevention of Money Laundering Act, 2002 (as amended)) against whom show cause or other proceedings have been initiated under Section 13 of the same legislation.**

**Effective Date: All proceedings where show cause notice is issued after issuance of this Policy.**

### I. Grant of Personal Hearing

- 1.** In accordance with the principles of natural justice, a ‘reporting entity’ (RE) which has been issued a show cause notice under Section 13 of the PMLA may request a personal hearing before Director, FIU-IND. The decision to grant a personal hearing shall remain the sole discretion of Director, FIU-IND.
- 2.** Ordinarily, an RE shall receive a personal hearing in addition to hearing in the form of an opportunity to provide written responses to a show cause notice issued by FIU-IND. However, grant of personal hearing shall be based solely on the clear and express request of the RE (made at the time of responding to show cause notice) or, where there is good reason for such delay, within a period of two weeks from submitting such response.
- 3.** In order to not cause delay leading to prejudice to vital national and economic security interests, and in the interests of timely adjudication, an RE shall be considered to have waived their right to personal hearing where:
  - a. RE has not requested for personal hearing in writing (letter or email) within the specified timeframe;
  - b. Where despite reasonable efforts, the FIU-IND has not been able to contact the RE, the RE has not provided any response, or where the RE is otherwise uncooperative, evasive, engaging in other dilatory tactics; or
  - c. For any other good reasons to be recorded in writing.
- 4.** It is clarified that mere non-response to any ground or charge in the show cause notice shall not be a ground for personal hearing.
- 5.** At the time of providing its response to a show cause notice, an RE is expected to provide specific responses to all charges / issues raised in the notice in full. Non-response to any specific charge or issue shall not be permitted to delay the adjudication process. In case of non-response, the RE is expected to remedy the same prior to closure of proceedings.

### II. Conduct of Personal Hearings

- 6.** Personal hearings may, in the discretion of Director, FIU-IND, be conducted either in person or through video conferencing.
- 7.** Personal hearings may, in the discretion of Director, FIU-IND, be audio or video recorded where feasible. An RE may not record personal hearings without prior written authorisation of Director, FIU-IND. Recordings, if any, shall not be shared with ‘reporting entities’ except where deemed appropriate or necessary by Director, FIU-IND for any reason.

- 8.** Proceedings at personal hearing shall be kept confidential and only representatives of the RE as notified in advance to FIU-IND shall be permitted to be present.
- 9.** REs are required to circulate, in advance of a personal hearing, a letter of authorisation as well as proof of identity of the individual(s) who will represent the RE before Director, FIU-IND.
- 10.** FIU-IND may, in its sole discretion, circulate minutes of the hearing for approval of RE. RE will be deemed to have accepted the minutes in full if it does not provide its response within 3 working days of first circulation of minutes.
- 11.** Unless otherwise authorised by Director, FIU-IND – orally or in writing – the right of an RE to file written submissions / responses will stand closed with the submission of its response to a show cause notice issued by FIU-IND. In other words, subsequent to submission of its response to a show cause notice, an RE will not be permitted to file additional written material or responses unless the same is in response to a specific request of FIU-IND or where the submission of such material is permitted by Director, FIU-IND.

### III. Savings and Miscellaneous Provisions

- 12.** It is further clarified that this policy is merely guidance to promote consistency, accountability, and transparency. It shall not in any manner restrict the sole discretion of Director, FIU-IND to depart from or modify, partially or in entirety, any provision of this Policy where deemed fit. Nothing contained within this policy shall create any right, remedy, or claim other than which already exists under applicable law.
- 13.** Nothing contained within this policy shall affect the right of Director, FIU-IND to, for good reasons to be recorded in writing (e.g. in the interests national security, economic security, and any other grounds of urgency) to depart from the requirement to conduct a hearing or personal hearing.
- 14.** This policy is subject to review on-ongoing basis in line with best practices and prevailing circumstances.

This issues with the approval of Director, FIU-IND.

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