

Alliance of Reporting Entities in India For AML/CFT (ARIFAC)

ARIFAC (Alliance of Reporting Entities in India For AML/CFT) has been conceptualized as first-of-its-kind, private-private partnership initiative amongst reporting entities belonging to multiple sectors (Banks, NBFCs, Payment Aggregators, Prepaid Payment Instrument providers, NPCI, VDA-SPs etc.) to facilitate information sharing, development of knowledge products, training programmes and certifications.

The inaugural conference of ARIFAC was held on August 04, 2023, in New Delhi. 80 Reporting Entities have joined the initiative as members and the membership is expected to expand with the organization of regional (north, south, east and west) and sectoral chapters (Banks, Payment Banks, Co-operative Banks, Payment Aggregators, VDA-SPs etc).

ARIFAC is envisaged to meet under the aegis of national and regional chapters. The primary objectives of the platform include information sharing, development of knowledge products and assistance by way of training and certification. Towards this end, a secure information sharing platform shall be provided by FIU-INDIA, on which reporting entities can share strategic and tactical information, regulatory matters, other emerging issues etc. The platform shall also facilitate Principal Officer-to-Principal Officer messaging. Further, ARIFAC intends to develop knowledge products in the form of best practices papers, typology reports etc. ARIFAC is also envisaged to undertake training programmes for reporting entities and personnel working in AML/CFT domain at levels other than that of principal officers. Further, ARIFAC is also expected to bring awareness, standardization in certifications in AML/CFT domain.

The advent of unparalleled technological, geopolitical and socio-economic change is the distinguishing hallmark of our times. While this environment creates tremendous opportunity for the financial services industry to provide faster and more affordable services to larger and more diverse populations – it also creates systemic risks of financial crimes that are increasingly sophisticated, rapid and global in nature which need to be addressed with the alignment of the capabilities of the national AML/CFT ecosystem and the speed and technological sophistication which is driving this innovation. An effective national AML/CFT regime must look to successfully combat these risks through coordinated and collaborative efforts by leveraging the expertise and capabilities of its private sector and ARIFAC is expected to play a momentous role toward said goal.