

**FPAC**

FIU-INDIA INITIATIVE FOR PARTNERSHIP IN AML/CFT

FIU-INDIA Initiative for Partnership in AML/CFT (FPAC)

The emergence of the Public-Private Partnership (PPP) paradigm in the AML/CFT domain has ushered in a gradual shift from the compliance-based, regulatory and tick-box-based approach toward a voluntary, information-sharing and collaboration-based approach, observed across multiple jurisdictions. In recognition of said shift, **FPAC** (FIU- India Initiative for Partnership in AML/CFT), a public private partnership (PPP) framework, was launched in January, 2022, to facilitate collaboration between FIU-India and other stakeholders in the AML/CFT domain.

FIU-India is the convenor of the group, while the Reserve Bank of India (RBI) and 66 reporting entities have been included as permanent invitees and 5 entities/ Statutory Bodies have been included as special invitees. The reporting entities were chosen in a manner to accommodate the optimum geographical and sectoral spread, with due regard for the impact of emerging technologies on the financial space and India's unique socio-economic landscape and with an eye on future expansions.

Collaborative engagements under the auspices of FPAC have facilitated discussions on strategic and tactical intelligence sharing. FPAC has also provided a platform for knowledge sharing on emerging trends/technologies, deliberations on quality of financial intelligence filed, best practices and other incidental matters pertaining to collection, analysis and dissemination of actionable financial intelligence.

Apart from the quarterly meetings of the group, the charter of FPAC also provides for ad-hoc, issue- based interactions and working groups with special invitees, such as, law enforcement agencies, other sectoral regulators, academic institutions, consultancy firms, think tanks and software developers, with the aim to develop knowledge products such as joint research reports and best practice guides. In pursuance of the same, FPAC is in the process of further expansion of its membership and constitution of working groups on emerging issues in AML/CFT and regulation.

It is believed that an effective national AML/CFT regime must look to facilitate optimum leveraging of public and private sector capabilities to accomplish its objectives. Further, collaboration with private sector assumes special importance in jurisdictions like India with vast sectoral diversity which is reflective of the socio-economic and political diversity in the country. In its capacity as the first and one- of-a-kind initiative, **FPAC** is expected to play a crucial role in assisting India to address said diversity through diversification of its AML/CFT strategy and build a collaborative ecosystem to aid in the effective implementation AML/CFT objectives.