

Sub.: Summary of Order-in-Original No. 14/DIR/FIU-IND/2020 in the matter of Central Bank of India – regarding.

In order to assess the compliance of Central Bank of India with regard to its obligations under the Prevention of Money Laundering Act, 2002 (hereinafter referred to as the Act), the Bank was issued a Show Cause Notice for its explanation relating to various Reports not filed by them under an Alert issued by this office under Section 12A of the Act.

Vide Show Cause Notice dated 11th February, 2020, the Bank was called upon as to why suitable directions including direction of imposition of penalty should not be passed against the Bank under section 13 of the Act for contravention of the provisions of the Section 12A of the Act.

The Bank submitted its reply to the SCN. In terms of the principles of natural justice the Bank was granted opportunity of personal hearing through Video Conference facility which they availed.

After considering the submissions of the Bank, vide Order-in-Original No. 14/DIR/FIU-IND/2020 dated 23rd December, 2020, the Director, FIU-IND disposed of the adjudication proceedings initiated against the Bank vide the Show Cause Notice dated 11th February, 2020, and in exercise of the powers conferred under section 13(2)(d) of the Act imposed monetary penalty of Rs. 2,00,000/- (Rupees Two Lakhs Only) for non-compliances of Section 12A of the Act viz. non-filing of Report No. 1 except last of such reports which was inordinately delayed, and failure to file Report No. 2 as mandated by the Alert issued under Section 12A of the Act. The Bank has also been advised to be observant in the future regarding compliance with the provisions of the Act and the Rules made thereunder.

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.