

Sub.: Summary of Order-in-Original No. 2/DIR/FIU-IND/2020 in the matter of NOIDA Commercial Co-operative Bank Ltd. reg.

In order to assess the compliance of **NOIDA Commercial Co-operative Bank Ltd.** (the Bank) with regard to its obligations under the Prevention of Money Laundering Act, 2002 (the Act) and the Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (the Rules, 2005), the Bank was issued a Show Cause Notice for its comments on the observation shared by RBI for non-reporting of 16 CTRs, cumulative delay of 167 months in filing of 6 CTRs and failure to have effective internal mechanism in place to detect and report suspicious transactions in terms of the provisions of the Act.

2. Vide Show Cause Notice dated October 03, 2019, 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 read with section 12 of the Act and rules 3, 5, 7 and 8 of the Rules, 2005 for several non-compliances of the provisions of the Act and the Rules.

3. The Bank submitted its reply to the SCN and in terms of the principles of natural justice, the Bank was granted opportunity of personal hearing through its authorised representative.

4. After considering the submissions of the Bank, vide Order-in-Original No. 2/DIR/FIU-IND/2020 dated January 09, 2020, the Director, FIU-IND disposed of the adjudication proceedings initiated against the Bank vide the Show Cause Notice dated October 03, 2019, and in exercise of the powers conferred under section 13(2)(d) of the Act imposed monetary penalty of **Rs. Twenty five Lakh seventy Thousand Only (Rs. 25,70,000/-) only** for non-compliances of section 12 of the Act read with rules 3, 5, 7 and 8 of the Rules, 2005 by the Bank, viz. failure to file CTRs under the Rule 3(1) (A) and 3(1)(B) of PML Rules, 2005; delay in filing of CTRs and failure to have effective internal mechanism in place to detection and report suspicious transactions under the Rule 5(2) and 7(3) of PML Rules, 2005;

5. In terms of section 13(2)(b) of the Act, the Director, FIU-IND directed the Bank to file the CTRs for the month of June 2015 to October 2015 under Rule 3(1)(A) and 3(1)(B) of the Rules, 2005; within 30 days from the receipt of this penalty order. The Bank has also been advised to exercise caution in future regarding compliance with the provisions of the Prevention of Money Laundering Act, 2002 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.