

Order in original No. 08/DIR/FIU-IND/2024 in the matter of Peken Global Limited (“Kucoin”) u/s Section 13 dated 22.03.2024

1. Peken Global Limited (“Kucoin”) by virtue of operating as Virtual Digital Asset Service Provider (VDA SP) carrying on designated business or profession as other activities under Section 2(sa)(vi) of the Prevention of Money Laundering Act (PMLA), 2002 (hereinafter referred to as ‘the Act’) is a Reporting Entity (RE) in terms of Section 2(1) (wa) of the Act.
2. Due to Kucoin's continued engagement with Indian clients and its operations within India without adhering to its statutory obligations under the PMLA, a Notice dated December 28, 2023, was issued to Kucoin under Section 13 of the PMLA. This Notice required Kucoin to explain why appropriate action should not be taken against it for failing to comply with the Act, given its status as a Reporting Entity operating as a Virtual Digital Asset Service Provider (VDA SP).
3. After reviewing Kucoin's written and oral submissions, the Director of FIU-IND determined that the allegations against Kucoin were substantiated based on the evidence on record. Consequently, in an order dated March 22, 2024, the Director of FIU-IND, exercising authority under Section 13 of the PMLA, imposed a penalty of Rs 34,50,000 (Rupees thirty-four lakhs and fifty thousand) on Kucoin for violations of Section 12(1) of the PMLA, 2002, read with Rule 7 of the PML Rules, 2005.

Disclaimer: The summary of the instant order is only representational in nature and does not hold any legal significance and cannot be relied upon or referred to as a precedence in any other case.