



THE INSTITUTE OF Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

July 19, 2023

Dear Professional Colleague,

REPORTING ENTITY UNDER PREVENTION OF MONEY-LAUNDERING ACT, 2002

As you are aware, the notification of the Ministry of Finance pertaining to the Prevention of Money-laundering Act, 2002 (the Act) casts certain obligations on the reporting entity as defined under section 2(1)(wa) of this Act. The Ministry of Finance vide its notification dated May 03, 2023 has notified that the following financial transactions undertaken by professionals including company secretary in practice on behalf of his client during the course of his profession shall come under the purview of the Act,

- (i) to buying and selling of any immovable property;
- (ii) managing of client money, securities or other assets;
- (iii) management of bank, savings or securities accounts;
- (iv) organisation of contributions for the creation, operation or management of companies;
- (v) creation, operation or management of companies, limited liability partnerships or trusts, and buying and selling of business entities.

Company Secretaries in Practice if carrying out the above Financial Transactions would be termed as 'Reporting entity' under section 2(1)(wa) and 2(1)(sa)(vi) read with notification dated May 03, 2023.

To guide the professionals in Practice, FIU-India has implemented the AML & CFT Guidelines which are effective w.e.f. June 19, 2023 [copy placed at: [AML/CFTguidelines04072023.pdf](https://www.fiuindia.gov.in/AML/CFT/guidelines/04072023.pdf) ([fiuindia.gov.in](https://www.fiuindia.gov.in))]. The Guidelines applies to the relevant persons carrying out financial transactions, such as, individuals who obtained certificate of practice under section 6 of the Chartered Accountants Act, 1949, under section 6 of the Company Secretaries Act, 1980 and under section 6 of the Cost and Works Accountants Act, 1959.

Further, as per the guidelines, ICSI has been has been advised to take on the role of Supervisory Regulatory Body (SRB) for its practising members i.e. Company Secretary in Practice. For the purpose of interaction and information sharing between practicing members and FIU-India, a nodal officer is also identified as per the requirement of guidelines who can be reached at pmla@icsi.edu. As per the abovementioned Guidelines, the ICSI is required to identify the existing Reporting Entities undertaking financial transactions as listed under the notification dated May 03, 2023.

In compliance of the same, all the members holding Certificate of Practice and falling within the definition of Reporting Entity under the Act are requested to register themselves by kindly filling their details in the form placed at the link below within seven (7) days:

<https://forms.gle/gyMfn6mYxKqpihFC8>

Regards,

Team ICSI