

PREVENTION OF MONEY-LAUNDERING (MAINTENANCE OF RECORDS) AMENDMENT RULES, 2023

AUTHOR :[EDITOR6](#)

<https://taxguru.in/corporate-law/prevention-money-laundering-maintenance-recordsamendment-rules-2023.html>

MINISTRY OF FINANCE
(Department of Revenue)
NOTIFICATION
New Delhi, the 7th March, 2023

S.O. 1074(E).— In exercise of the powers conferred by section 73 of the Prevention of Money-laundering Act, 2002 (15 of 2003), the Central Government hereby makes the following rules further to amend the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, namely: —

1. (1) These rules may be called the Prevention of Money-laundering (Maintenance of Records) Amendment Rules, 2023.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 (hereinafter referred to as the principal rules), in rule 2, in sub-rule (1) –

(i) after clause (cb), the following clause shall be inserted, namely:

“(cba) “group” shall have the same meaning assigned to it in clause (e) of sub-section (9) of section 286 of the Income-tax Act, 1961 (43 of 1961);

(ii) existing clause (cba) shall be re-numbered as clause (cbb);

(iii) for clause (cf), the following clause shall be substituted, namely:-

“(cf) “Non-profit organization” means any entity or organisation, constituted for religious or charitable purposes referred to in clause (15) of section 2 of the Income-tax Act, 1961 (43 of 1961), that is registered as a trust or a society under the Societies Registration Act, 1860 (21 of 1860) or any similar State legislation or a Company registered under the section 8 of the Companies Act, 2013 (18 of 2013);”

(iv) after clause (da) the following clause shall be inserted, namely: –

“(db) “Politically Exposed Persons” (PEPs) are individuals who have been entrusted with prominent public functions by a foreign country, including the heads of States or Governments, senior politicians, senior government or judicial or military officers, senior executives of state-owned corporations and important political party officials;”.

3. In the principal rules, after rule 3, the following rule shall be inserted, namely: –

“(3A) Implementation of policies by groups. – Groups are required to implement group-wide policies for the purpose of discharging obligations under the provisions of Chapter IV of the Prevention of Money-laundering Act, 2002 (15 of 2003).”.

4. In the principal rules, in rule 9, –

(i) in sub-rule (3) –

(i) in clause (a), in the Explanation, in clause (1), for the words “twenty-five”, the word “ten” shall be substituted;

(ii) in clause (e), for the word “fifteen”, the word “ten” shall be substituted; (ii) in sub-rule (6),-

(a) in sub-clause (iv), the word “and” shall be omitted;

(b) after sub-clause (v), the following clauses shall be inserted, namely:-

“(vi) the names of the relevant persons holding senior management position; and

(vii) the registered office and the principal place of its business, if it is different.”;

(iii) in sub-rule (7),-

(a) in clause (iii), the word “and” shall be omitted;

(b) in clause (iv), for the words “on its behalf:” the words on its behalf; and” shall be substituted;

(c) after clause (iv), the following clause shall be inserted, namely:-

(d) the names of all the partners and address of the registered office, and the principal place of its business, if it is different.”;

(iv) in sub-rule (8),

(a) In clause (iii), the word “and” shall be omitted;

(b) after clause (iv), the following clauses shall be inserted, namely:-

“(v) the names of the beneficiaries, trustees, settlor and authors of the trust and the address of the registered office of the trust; and

(vi) list of trustees and documents as are required for individuals under sub-rule (4) for those discharging role as trustee and authorised to transact on behalf of the trust.”;

(v) after sub-rule (9), the following sub-rules shall be inserted, namely:-

“(9A) Every Banking Company or Financial Institution or intermediary, as the case may be, shall register the details of a client, in case of client being a non-profit organisation, on the DARPAN Portal of NITI Aayog, if not already registered, and maintain such registration records for a period of five years after the business relationship between a client and a reporting entity has ended or the account has been closed, whichever is later.

(9B) Where the client has submitted any documents for the purpose of sub-rule (1), it shall submit to the reporting entity any update of such documents, for the purpose of updating the records mentioned under sub-rules (4),(5),(6),(7),(8) or (9), as the case may be, within 30 days of such updation.”

(vi) in sub-rule (10), for the words “is a judicial person”, the words “purports to act on behalf of judicial person or individual or trust” shall be substituted.

[F. No. P-12011/12/2022-ES Cell-DOR]

SHASHANK MISRA, Director (Headquarter)

Note: The principal rules were published in Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (i) *vide* number G.S.R. 444 (E), dated the 1st July, 2005 and were last amended *vide* [number G.S.R. 575\(E\), dated the 13th July, 2022.](#)