

Articles
Part-I**Prevention of Money Laundering Act-Role of CS in Ensuring Compliance**

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CS Pramod S. Shah, FCS, Ms. Ashwini Kutty

As global economies become increasingly organized, the need for robust anti-money laundering measures has never been more critical. The PMLA serves as a cornerstone in this effort, aiming to detect and prevent money laundering activities that could undermine the integrity of financial systems. Company Secretaries, positioned at the nexus of governance and regulatory adherence within organizations, play a pivotal role in implementing and sustaining effective compliance frameworks. This paper delves into the multifaceted responsibilities of Company Secretaries in the context of PMLA legislations.

Role of CS as Reporting Entities

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CS Bharti Kashyap, ACS

In March 2023, the Prevention of Money Laundering (Maintenance of Records) Amendment Rules, 2023 were introduced by the Department of Revenue under the Ministry of Finance. These rules widened the ambit of reporting entities under money laundering provisions to incorporate more disclosures for non-governmental organisations and defined politically exposed persons (PEPs) under the PMLA in line with the recommendations of the FATF. The new rules require reporting entities like financial institutions, banking companies, or intermediaries to disclose beneficial owners in addition to the current KYC requirements through documents like registration certificates and PAN (Permanent Account Number).

PMLA Legislations - An Insight into Compliances

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CS Anirban Sen, FCS

The Prevention of Money Laundering Act (PMLA), 2002 is known to have been legislated basically to sub-serve twin purpose. Firstly, to prevent money laundering and secondly to

provide for confiscation of property derived from, or involved in money laundering and to ensure curbing of the tendency of committing scheduled offences.

Navigating PMLA Compliance in India: A Comprehensive Guide for Companies and Company Secretaries

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Dr. Ritu Gupta

The implementation of PMLA compliance measures requires a proactive and collaborative approach led by Company Secretaries. From policy development to continuous training and regular audits, Company Secretaries play a central role in ensuring that PMLA compliance becomes an integral part of the organization's DNA, promoting a culture of vigilance, responsibility, and adherence to regulatory standards.

Criminal Liability of Transferee Company For Acts of Transferor Company After Amalgamation

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CS (Dr.) M. Govindarajan, FCS

A transferee bank in a merger can be held accountable for corporate criminal liability arising from offenses committed by officials of the transferor bank prior to the merger of the two entities. It becomes paramount to shield the transferee party from any potential liabilities, assuming such party is independent of the past activities of the transferor entity.

Recent Amendments in Compliances: Combating Money Laundering In India

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CS (Dr.) Pallavi Baghel, ACS

AML refers to extant web of legislations, regulations and procedures aiming at unearthing disguised illicit funds and assets transformed as legal income and assets. The AML regulations in India are applied to numerous entities – companies, banks, crypto exchanges, foreign portfolio investors, Non-Governmental Organizations and trusts, etc. and narrow down the ease of transformation of such funds. The reporting entities have to ensure proper implementation of provisions of PMLA and PML rules and are necessitated to undertake specific AML measures

namely, customer identification, enhanced client due diligence, maintenance of records, customer acceptance, reporting and tracking certain transactions.

Unveiling Due Diligence and Internal Control Imperatives in India's PMLA Compliance

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Dr. Dipra Bhattacharya

In the realm of financial safeguards, the Prevention of Money Laundering Act (PMLA) takes center stage, with this article navigating the intricate landscape of due diligence and internal controls in the Indian financial sphere. From the foundational role of customer due diligence (CDD), guided by regulatory bodies' directives, to the framework of internal control mechanisms crafting policies against money laundering, the article delves to explore risk assessment as the sentinel against financial crimes. The Financial Intelligence Unit (FIU), fueled by data analytics, assumes a pivotal role, while professionals like Company Secretaries, Chartered and Cost Accountants bear the responsibility of implementing due diligence and internal controls. The global perspective highlights India's engagement with the Financial Action Task Force (FATF). The article concludes by emphasizing the symbiotic synergy of due diligence and internal controls, urging vigilance, adaptability, and global collaboration as guardians of financial integrity in the evolving landscape.

Articles
Part-II

Decoding Whistle Blowing Policies of Indian Companies

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Dr. Anil Kumar, Dr. Seema Gupta

Whistleblowing, an integral part of corporate governance in exposing corruption, frauds, and other wrongdoings has emerged as an effective mechanism of spotting questionable practices of corporations. Protection of whistle-blowers is a *sine qua non* of the whistleblowing which has been recognized globally by enacting laws to protect whistle blowers against retaliation. UK was one of the first European countries to legislate on the protection of 'whistle-blowers'. Public Interest Disclosure Act, 1998 (PIDA) regarded as an 'exemplary piece of legislation'ⁱⁱⁱ. PIDA applies to every employee in the UK whether they are in the private, public or the voluntary sector and covers workers, contractors,

trainees, agency staff, homeworkers, professional and police officers. The Indian Companies Act 2013 which mandated listed companies to establish whistleblowing mechanism. Section 177 (Clauses 9 and 10) of the Act states that every listed company (and the classes of companies as prescribed) shall establish a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

An Analysis of Jurisdiction of NCLT/Civil Court on Company matters – Sections 408 and 430 of the Companies Act, 2013

84

CS (Dr.) K S Ravichandran, FCS

The question whether a civil court has jurisdiction, in a company matter in which a member is the person aggrieved or whether the NCLT alone has jurisdiction is not an ordinary question with any readymade answer. This question must be studied in conjunction with the jurisdiction conferred upon the NCLT, for instance, under Sections 241 and 242 of the Act.

Research Corner

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Effectiveness of CSR- A Corporate Voluntary Code in Preventing Human Trafficking: A Doctrinal Analytical Approach

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CS (Dr.) D. Mukhopadhyay, FCS

One of the most pressing global challenges that corporations are faced with is human trafficking, a heinous crime that exploits the vulnerable and violates basic human rights. This article delves into the efficacy of CSR as a corporate voluntary code of conduct in preventing human trafficking, employing a doctrinal analytical approach.

Legal World

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- **LMJ 12:12:2023** In our opinion, the High Court clearly exceeded its jurisdiction in quashing the criminal proceeding in the peculiar facts and circumstances of this case.[SC]
- **LW 84:12:2023** The Adjudicating Authority did not commit any error in rejecting Section 9 application as barred by time.[NCLAT]

- **LW 85:12:2023** In the opinion of the Court, these facts constitute sufficient cause and the Appellant company has rightly refused to register the shares of the Respondents. In view of the above legal and factual position, the order of the CLB is unsustainable and is accordingly set aside.[Del]
 - **LW 86:12:2023** It is well settled that Section 14 of the IBC does not create a bar for finalisation of the assessment and adjudication proceedings in respect of the taxes.[KER]
 - **LW 87:12:2023** The establishment of the appellant is a commercial establishment predominantly carrying on commercial activity. Therefore, it cannot be denied that the business of the appellant will fall in the category of trading and commercial establishments. In the circumstances, the case of the appellant will be governed by the PF coverage notification issued under clause (b) of sub-Section (3) of Section 1.[SC]
 - **LW 88:12:2023** In the absence of order of forfeiture coupled with a totally different opinion of the petitioner at an initial stage, the petitioner has no authority to withhold gratuity of the respondent. [P&H]
 - **LW 89:12:2023** The Haryana State Employment of Local Candidates Act, 2020 is held to be unconstitutional and violative of Part III of the Constitution of India and is accordingly held ultravires and is ineffective from the date it came into force.[P&H]
 - **LW 90:12:2023** The Respondent has effected recovery contrary to law laid down by Hon'ble Supreme Court and is liable to refund the already recovered amount. [P&H]
 - **LW 91:12:2023** The petition lacks Delhi jurisdiction and is thus liable to be dismissed. [DEL]
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- Procedural framework for dealing with unclaimed amounts lying with Real Estate Investment Trusts (REITs) and manner of claiming such amounts by unitholders
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- Procedural framework for dealing with unclaimed amounts lying with Infrastructure Investment Trusts (InvITs) and manner of claiming such amounts by unitholders
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- Procedural framework for dealing with unclaimed amounts lying with entities having listed non-convertible securities and manner of claiming such amounts by investors
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- Simplification and streamlining of Offer Documents of Mutual Fund Schemes
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- International Trade Settlement in Indian Rupees (INR) – Opening of additional Current Account for exports proceeds
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- Regulatory measures towards consumer credit and bank credit to NBFCs
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- Implementation of Section 51A of UAPA,1967: Updates to UNSC's 1267/1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Amendments in 05 Entries
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- Formation of new districts in the State of Rajasthan – Assignment of Lead Bank Responsibility
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- Guidelines on import of silver by Qualified Jewellers as notified by – The International Financial Services Centres Authority (IFSCA)
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- 'Fully Accessible Route' for Investment by Non-residents in Government Securities – Inclusion of Sovereign Green Bonds
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- Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices

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- The Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023
- Simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination
- Most Important Terms and Conditions (MITC)

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