

**Bill No. LXI of 2022**

THE PREVENTION OF MONEY-LAUNDERING  
(AMENDMENT) BILL, 2022

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BILL

*further to amend the Prevention of Money-Laundering Act, 2002.*

BE it enacted by Parliament in the Seventy-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Prevention of Money-Laundering (Amendment) Act, 2022. Short title and commencement.

5 (2) It shall come into force at once.

2. In the Prevention of money-Laundering Act, 2002 (hereinafter referred to as the principal Act), in section 6,— Amendment of section 6.

10 (a) in sub-section (1), after the words, "powers and authority conferred by or under this Act", the words, "after consultation with the Chief Justice of India" shall be inserted.

(b) in sub-section (12), after the words, "after giving necessary opportunity of hearing", the words "and after consultation with the Chief Justice of India" shall be inserted.

Amendment of  
section 50.

**3.** In section 50 of the principal Act,—

(a) in sub-section (1), for the words, "have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908", the words "have the same powers as are vested in an agency under the Delhi Special Police Establishment Act, 1946" shall be substituted. 5 of 1908  
25 of 1946  
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(b) in sub-section (2), for the words "he considers necessary whether to", the words "is necessary to" shall be substituted.

(c) sub-section (4) shall be deleted.

(d) in sub-section (5), in clause (b), for the words "the previous approval of the Joint Director", the words "the previous approval of the Court" shall be substituted. 10

## STATEMENT OF OBJECTS AND REASONS

Under the Prevention of Money-Laundering Act, 2002, in order to ensure impartiality and to ensure that the principle of the separation of powers is upheld, there is a need to have wider consultation regarding the appointment and removal of the adjudicating authority.

2. The authority under the Act which is enjoying the powers of a quasi-judicial system as well as an enquiring agency, and at the same time functioning under the government loses its independent working character. Therefore, there is need to ensure the independent character of the authority.

3. The enforcing authority, being under the government and having been vested with quasi-judicial powers, does not stand up to the principles of separation of powers, and also is resulting in the high centralisation of power. Therefore, there is need to ensure to uphold the principle of separation of power under the Act to ensure fairness in dispensing justice to the People.

4. The Bill seeks to achieve the above objectives.

DR. V. SIVADASAN.

ANNEXURE

EXTRACTS FROM THE PREVENTION OF MONEY-LAUNDERING ACT, 2002

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Adjudicating  
Authorities,  
composition,  
powers etc.

**6.** (1) The Central Government shall, by notification, appoint an Adjudicating Authority to exercise jurisdiction, powers and authority conferred by or under this Act.

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(12) The Chairperson or any other Member shall not be removed from his office except by an order made by the Central Government after giving necessary opportunity of hearing.

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Powers of  
authorities  
regarding  
summons  
production of  
documents and  
to give  
evidence, etc.

**50.** (1) the Director shall, for the purposes of section 13, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 while trying a suit in respect of the following matters, namely:—

(a) discovery and inspection;

(b) enforcing the attendance of any person, including any officer of a reporting entity and examining him on oath;

(c) compelling the production of records;

(d) receiving evidence on affidavits;

(e) issuing commissions for examination of witnesses and documents; and

(f) any other matter which may be prescribed.

(2) The Director, Additional Director, Joint Director, Deputy Director or Assistant Director shall have power to summon any person whose attendance he considers necessary whether to give evidence or to produce any records during the course of any investigation or proceeding under this Act.

(3) All the persons so summoned shall be bound to attend in person or through authorised agents, as such officer may direct, and shall be bound to state the truth upon any subject respecting which they are examined or make statements, and produce such documents as may be required.

(4) Every proceeding under sub-sections (2) and (3) shall be deemed to be a judicial proceeding within the meaning of section 193 and section 228 of the Indian Penal Code. 45 of 1860

(5) Subject to any rules made in this behalf by the Central Government, any officer referred to in sub-section (2) may impound and retain in his custody for such period, as he thinks fit, any records produced before him in any proceedings under this Act:

Provided that an Assistant Director or a Deputy Director shall not—

(a) impound any records without recording his reasons for so doing; or

(b) retain in his custody any such records for a period exceeding three months, without obtaining the previous approval of the Joint Director.

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further to amend the Prevention of Money-Laundering Act, 2002.

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*(Dr. V. Sivadasan, M.P.)*