



CIRCULAR

F. No. 887/IFSCA/UAPA/ 2023-24/03

05th September 2023

To

The Designated Directors/
Principal Officers
All Regulated Entities
GIFT-IFSC

Sub: Procedure for implementation of Section 51A of the Unlawful Activities (Prevention) Act, 1967- modification-regarding.

Sir/Madam,

- A. Reference may be drawn to Clause 11.2 (Freezing of Assets under Section 51A of Unlawful Activities (Prevention) Act, 1967) of Chapter XI (Compliance Obligations Under International Agreements and Domestic Laws) of the International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022 (hereinafter referred as 'Guidelines') issued vide notification No. IFSCA/2022-23/GN/GL001 dated October 28, 2022, by the International Financial Services Centres Authority (hereinafter referred as 'Authority').

- B. Reference may also be drawn to Corrigendum bearing File No. 14014/01/2019/CFT-83 dated 15th March, 2023 issued by CFT Cell/CTCR Division of the Ministry of Home Affairs,



Government of India. (https://www.mha.gov.in/sites/default/files/2023-05/Procedure51Acorrigendum_04052023.pdf).

C. Please Note that the Order dated 2nd February 2021, as amended vide Corrigendum No. 14014/01/2019/CFT-83 dated 15th March, 2023, is further modified to the following extent through a Corrigendum dated 29th August 2023 by the CFT Cell/CTCR Division of the Ministry of Home Affairs, Government of India:

- (i) Para 7 of the MHA's order dated 02.02.2021 may now be read as "Regarding the real-estate agents, dealers of precious metals/stones (DPMS), other Designated Non-Financial Businesses and Professions (DNFBPs) and any other person" instead of "Regarding the real-estate agents, dealers of precious metals/stones (DPMS) and other Designated Non-Financial Businesses and Professions (DNFBPs)"
- (ii) Below Para 7 (i) of the MHA's Order dated 02 02 2021, following para is inserted:
“7(i)(a) The DNFBPs are required to ensure that if any designated individual/entity approaches them for a transaction or relationship or attempts to undertake such transactions, the dealer should not carry out such transactions and, without delay inform the UAPA Nodal officer of the State/UT with details of the funds/assets held and the details of the transaction, who in turn would follow the same procedure as in para 6.2 to 6.6 above. Further, if the dealers hold any assets or funds of the designated individual/entity, either directly or indirectly, they shall freeze the same without delay and inform the UAPA Nodal officer of the State/UT”
- (iii) Below Para 7 (viii) of the MHA's Order dated 02 02 2021, following para is inserted:
“7(ix) Any person, either directly or indirectly, holding any funds or other assets of designated individuals or entities, shall, without delay and



without prior notice, cause to freeze any transaction in relation to such funds or assets, by immediately informing the nearest Police Station, which shall, in turn, inform the concerned UAPA Nodal Officer of the State/UT along with details of the funds/assets held. The concerned UAPA Nodal Officer of the State/ UT, would follow the same procedure as in para 6.2 to 6.6 above.”

- D. The above modification to the Order dated 2nd February 2021, shall apply to the Regulated Entities as per their nature of business in IFSC with immediate effect.

- E. Copy of the circular is available on the IFSCA website at <https://ifsca.gov.in/Pages/Contents/UNSC-Sanctions-Committee-List> .

Ramachander S.S.R. Eranki,
UAPA Nodal Officer
& Head, AML & CFT Division
ramachander.essr@ifsca.gov.in