

F. NO. 9-41/2022-23/ Intermediaries/TCSP/FIU-IND

**Government of India
Ministry of Finance
Department of Revenue
Financial Intelligence Unit-India**

6th floor, Tower 2, Jeevan Bharti Building,
Connaught Place, New Delhi – 110001

Dated 17.07.2023

To,
**The Designated Directors/ Principal Officers of
Trust and Company Service Provider (TCSP)**

**Subject: Registration of Trust and Company Service Provider (TCSP) with FIU-IND in
FINNET 2.0 portal as Reporting Entity – reg.**

The Central Government vide notification, S.O. 2135(E) dated May 9, 2023, has brought following activities under the purview of PMLA framework when carried out in the course of business on behalf of or for another person, as the case may be, as an activity u/s 2(1)(sa)(vi) of the Prevention of Money-laundering Act, 2002 (15 of 2003), (hereinafter referred as "PMLA"):

- (i) acting as a formation agent of companies and limited liability partnerships;
- (ii) acting as (or arranging for another person to act as) a director or secretary of a company, a partner of a firm or a similar position in relation to other companies and limited liability partnerships;
- (iii) providing a registered office, business address or accommodation, correspondence or administrative address for a company or a limited liability partnership or a trust;
- (iv) acting as (or arranging for another person to act as) a trustee of an express trust or performing the equivalent function for another type of trust; and
- (v) acting as (or arranging for another person to act as) a nominee shareholder for another person.

Explanation: - For removal of doubts, it is clarified that the following activities shall not be regarded as activity for the purposes of sub-clause (vi) of clause (sa) of sub-section (1) of section 2 of the Act, namely: -

- (a) any activity that is carried out as part of any agreement of lease, sub-lease, tenancy or any other agreement or arrangement for the use of land or building or any space and the consideration is subjected to deduction of income-tax as defined under section 194-I of Income-tax Act, 1961 (43 of 1961); or
- (b) any activity that is carried out by an employee on behalf of his employer in the course of or in relation to his employment; or
- (c) any activity that is carried out by an advocate, a chartered accountant, cost accountant or company secretary in practice, who is engaged in the formation of a company to the extent of



Most Immediate


filing a declaration as required under clause (b) of sub-section (1) of section 7 of Companies Act, 2013 (18 of 2013); or

(d) any activity of a person which falls within the meaning of an intermediary as defined in clause (n) of sub-section (1) of section 2 of the Prevention of Money-laundering Act, 2002 (15 of 2003).

2. The entities carrying out the activities mentioned in above para are referred as 'Trust and Company Service Providers (TCSPs)'. TCSPs are therefore covered within the definition of 'Reporting Entity' by virtue of the aforesaid Government of India's notification dated May 09 2023. As a result, TCSPs are required to strictly comply with the obligations under the PMLA and PML Rules that includes *inter-alia* registration on FINNET 2.0 portal with FIU-INDIA, appointment of Principal Officer and Designated Director, formulating risk management practices, performing customer due diligence, record keeping, training of employees and implementation of internal mechanisms to detect and report suspicious transactions to FIU-IND. **Registration with FIU-INDIA is a pre-requisite for a reporting entity to become compliant with the reporting obligations under PMLA.**

3. All the Designated Directors and Principal Officers of the REs concerned are requested to **immediately register themselves with FIU-IND in FINNET 2.0 portal in order to comply with the reporting obligations under PMLA.**

Yours faithfully,


17.7.2023

(Nikhil Varma)

Additional Director, FIU-IND

