

NIPPON LEGAL

Advocates & Legal Consultants

High Court of Andhra Pradesh, Amaravati | Senior Advocate V. Ravindhar

LEGAL MATTER PROFILE

FIU-IND Reporting Entity Registration (RE ID) — Compliance Advisory

Under the Prevention of Money Laundering Act, 2002 & FIU-IND Regulatory Framework

MATTER SNAPSHOT

Practice Area	Financial Regulatory Compliance / Anti-Money Laundering (AML) Law
Regulatory Authority	Financial Intelligence Unit – India (FIU-IND), Ministry of Finance
Applicable Law	Prevention of Money Laundering Act, 2002 (PMLA); PMLA (Maintenance of Records) Rules, 2005; FIU-IND Operational Guidelines
Nature of Engagement	End-to-end advisory & facilitation for FIU-IND RE ID Registration
Portal Used	FINnet 2.0 – FIU-IND's Secure Online Reporting Gateway (finnet2.fiu.gov.in)
Entity Category	Reporting Entity (RE) under Section 12 / 12A of PMLA, 2002
Status	Registration Successfully Completed; RE ID Issued by FIU-IND
Lead Counsel	V. Ravindhar, Senior Advocate – High Court of Andhra Pradesh

I. BACKGROUND & REGULATORY CONTEXT

The Financial Intelligence Unit – India (FIU-IND) is the central national agency established under the Ministry of Finance, Government of India, responsible for receiving, processing, analysing, and disseminating financial intelligence relating to suspected money laundering and related offences.

Under the Prevention of Money Laundering Act, 2002 (PMLA), all designated entities classified as 'Reporting Entities' (REs) are mandatorily required to register with FIU-IND through the FINnet 2.0 portal and obtain a unique Reporting Entity Identification (RE ID). Upon registration, such entities assume statutory obligations including:

- Maintenance and retention of prescribed transaction records;

- Filing of Cash Transaction Reports (CTRs) for transactions exceeding threshold limits;
- Filing of Suspicious Transaction Reports (STRs) for transactions reasonably suspected of money laundering;
- Filing of Non-Profit Organisation Transaction Reports (NTRs) and Cross-Border Wire Transfer Reports (CCTRs) as applicable;
- Appointing a Principal Officer and Designated Director with intimation to FIU-IND;
- Strict compliance with obligations under Section 12 and Section 12A of PMLA, 2002.

II. CATEGORIES OF REPORTING ENTITIES UNDER PMLA

The PMLA and subordinate regulations define the following categories of entities mandatorily required to register as Reporting Entities with FIU-IND:

- **Banking Companies (Scheduled Commercial Banks, Cooperative Banks, Regional Rural Banks)**
- **Financial Institutions (NBFCs, Housing Finance Companies, Payment System Operators)**
- **Intermediaries Registered with SEBI (Stock Brokers, Sub-Brokers, Mutual Fund Distributors, Portfolio Managers, Investment Advisors)**
- **Authorised Persons under FEMA (Money Changers, Money Transfer Service Scheme Operators)**
- **Real Estate Agents / Developers involved in purchase and sale of immovable property**
- **Dealers in Precious Metals, Precious Stones, and Other High-Value Goods**
- **Casinos (including online casinos and gaming establishments)**
- **Virtual Digital Asset Service Providers (VDA SPs) — including crypto exchanges and wallet providers**

III. SCOPE OF NIPPON LEGAL'S ENGAGEMENT

Nippon Legal was retained to provide comprehensive advisory and facilitation services for the FIU-IND RE ID registration process. The scope of services rendered encompassed the following:

1. **Pre-Registration Compliance Audit:** Assessment of the entity's existing AML/KYC framework, internal controls, and board-level compliance readiness to determine eligibility and preparedness for FIU-IND registration.
2. **Entity Classification Advisory:** Legal analysis under PMLA, 2002 and relevant SEBI/RBI/other sectoral regulations to confirm the precise category under which the entity was to register as a Reporting Entity on FINnet 2.0.

3. Appointment & Intimation of Principal Officer and Designated Director: Advisory on qualification criteria, drafting of Board Resolutions for appointment, and preparation of intimation letters to FIU-IND as required under PMLA Regulations.
4. Document Compilation & Verification: Collation and verification of all documents required for FINnet 2.0 portal registration, including Certificate of Incorporation / Registration, PAN, address proofs, authorised signatory details, and KYC documentation of the Designated Director and Principal Officer.
5. FINnet 2.0 Portal Registration: End-to-end facilitation of the online registration process on FIU-IND's secure FINnet 2.0 portal — including creation of entity profile, submission of required data fields, upload of supporting documents, and tracking of application status through to issuance of the RE ID.
6. Post-Registration Compliance Framework: Drafting of an internal AML Compliance Policy document, guidance on STR/CTR/CCTR/NTR filing obligations, and advisory on record-keeping requirements as per PMLA (Maintenance of Records) Rules, 2005.
7. Liaison with FIU-IND: Direct correspondence and follow-up with FIU-IND officials where necessary to resolve queries or clarifications raised during the registration review process.

IV. DOCUMENTS REQUIRED FOR FIU RE ID REGISTRATION

The following documentation was compiled, reviewed, and submitted as part of the FINnet 2.0 RE ID registration process:

Entity / Corporate Documents	Key Personnel Documents
<ul style="list-style-type: none"> • Certificate of Incorporation / Registration • Memorandum & Articles of Association / Trust Deed / Partnership Deed • Permanent Account Number (PAN) of Entity • Registered Address Proof • Sectoral Regulator Certificate / Licence (SEBI/RBI/IRDAI as applicable) • Board Resolution for Registration & Appointment of Principal Officer 	<ul style="list-style-type: none"> • PAN & Aadhaar of Designated Director • PAN & Aadhaar of Principal Officer • Passport-size Photographs of Key Officials • Letter of Appointment / Board Resolution for Principal Officer • Intimation Letter to FIU-IND regarding Designated Director & Principal Officer • Digital Signature Certificate (DSC) of Authorised Signatory (where required)

V. FINNET 2.0 — REGISTRATION PROCESS OVERVIEW

The FIU-IND RE ID registration is conducted exclusively through the FINnet 2.0 portal (finnet2.fiu.gov.in). The process, as facilitated by Nippon Legal, proceeded in the following stages:

- Stage 1 — Portal Account Creation: Registration of entity on FINnet 2.0 with primary user credentials and activation of the entity profile.
 - Entry of entity legal name, CIN/registration number, address, PAN, and category of reporting entity.
- Stage 2 — Designated Director & Principal Officer Details: Entry and verification of details of the Designated Director and the Principal Officer, including their identification particulars and contact information.
- Stage 3 — Document Upload: Systematic upload of all required documents in prescribed format and size as specified by FIU-IND guidelines.
- Stage 4 — Application Submission & Acknowledgement: Formal submission of the registration application on FINnet 2.0 and receipt of system-generated acknowledgement.
- Stage 5 — FIU-IND Review & Query Resolution: Active monitoring of application status; response to any queries or clarifications raised by FIU-IND during the review process.
- Stage 6 — Issuance of RE ID: Upon successful review and approval by FIU-IND, a unique Reporting Entity Identification (RE ID) number is issued. This RE ID is used for all future STR, CTR, CCTR, and NTR filings.

VI. ONGOING STATUTORY OBLIGATIONS POST-REGISTRATION

Upon successful registration and issuance of the RE ID, Nippon Legal provided a comprehensive advisory on the continuing compliance obligations of a Reporting Entity under PMLA:

Report Type	Trigger / Threshold	Filing Deadline
Cash Transaction Report (CTR)	Cash transactions of Rs. 10 lakhs or more (or equivalent foreign currency) in a calendar month	Within 15 days of close of the month
Suspicious Transaction Report (STR)	Any transaction suspected to involve proceeds of crime or money laundering, regardless of amount	Within 7 days of arriving at such conclusion
Cross-Border Wire Transfer Report (CCTR)	Cross-border wire transfers of Rs. 5 lakhs or more	Within 15 days of close of the month
Non-Profit Organisation Transaction Report (NTR)	Cash receipts by NPOs of Rs. 10 lakhs or more from a single donor in a month	Within 15 days of close of the month
Counterfeit Currency Report (CCR)	Receipt of counterfeit Indian currency notes	Within 7 days of detection

VII. OUTCOME

The engagement was concluded successfully with the following outcomes:

- **Unique RE ID successfully issued by FIU-IND through the FINnet 2.0 portal upon completion of the registration process.**
- **Entity fully onboarded onto FIU-IND's regulatory framework, enabling lawful filing of all mandatory reports (STR, CTR, CCTR, NTR) using the assigned RE ID.**
- **Principal Officer and Designated Director formally intimated to FIU-IND in compliance with PMLA requirements.**
- **Internal AML Compliance Policy drafted and placed before the entity's Board of Directors for adoption.**
- **Post-registration compliance calendar provided to the entity's compliance team with all reporting deadlines and obligations.**

VIII. COUNSEL'S NOTE

Compliance with FIU-IND registration requirements is not merely a procedural formality — it is a statutory obligation under the PMLA, 2002 carrying significant civil and criminal consequences for default. Failure to register, late registration, or failure to file mandatory reports as a Reporting Entity can attract penalties under Section 13 of PMLA, 2002, including monetary penalties up to Rs. 1 lakh per day of default, and in serious cases, prosecution under the Act.

It is strongly advised that entities seeking FIU RE ID registration engage qualified legal counsel at the earliest stage to ensure correct entity classification, complete documentation, and timely completion of the registration process. Post-registration AML compliance is a continuous obligation and requires dedicated internal oversight.

Nippon Legal has extensive experience in advising clients across diverse sectors on their PMLA compliance obligations, FIU-IND registration, and ongoing AML/CFT (Anti-Money Laundering / Countering the Financing of Terrorism) regulatory compliance. Clients requiring assistance in this domain are welcome to contact the firm for a preliminary consultation.

For NIPPON LEGAL

V. Ravindhar

Senior Advocate — High Court of Andhra Pradesh
Nippon Legal, Vijayawada, Andhra Pradesh

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