

The Unlawful Activities (Prevention) Act, 1967 (UAPA) was amended and notified on 31.12.2008, which, inter-alia, inserted Section 51A to the Act, Section 51 A, reads as under: -

"51A For the prevention of, and for coping with terrorist activities, the Central Government shall have power to –

- a) Freeze, seize or attach funds and other financial assets or economic resources held by, on behalf of or at the direction of the individuals or entities Listed in the Schedule to the Order, or any other person engaged in or suspected to be engaged in terrorism;
- b) Prohibit any individual or entity from making any funds, financial assets or economic resources or related services available for the benefit of the individuals or entities Listed in the Schedule to the Order or any other person engaged in or suspected to be engaged in terrorism:
- c) Prevent the entry into or the transit through India of individuals Listed in the Schedule to the Order or any other person engaged in or suspected to be engaged in terrorism".

The Unlawful Activities (Prevention) Act, 1967 defines "Order" as under:-

"Order" means the Prevention and Suppression of Terrorism (Implementation of Security Council Resolutions) Order, 2007, as may be amended from time to time. In order to expeditiously and effectively implement the provisions of Section 51A, a procedure was outlined vide this Ministry Order No. 17015/10/2002-IS-VI dated 27.08.2009. After the reorganization of the Divisions in Ministry of Home Affairs, the administration of Unlawful Activities (Prevention) Act, 1967 and the work relating to countering of terror financing has been allocated to the CTCR Division. The order dated 27.08.2009 is accordingly modified as under:

Appointment and communication of details of UAPA Nodal Officers

2. As regards appointment and communication of details of UAPA Nodal Officers-

- i. The UAPA Nodal Officer for CTCR Division would be the Joint Security (CTCR), Ministry of Home Affairs. His contact details are 011-23092569 (Fax) and jsctcr-mha@gov.in (e-mail id).
- ii. The Ministry of External Affairs, Department of Economic Affairs, Foreigners Division of MHA, FIU-IND; and RBI, SEBI, IRDA (hereinafter referred

to as Regulators) shall appoint a UAPA Nodal Officer and communicate the name and contact details to the CTCR Division in MHA.

iii. The States and UTs should appoint a UAPA Nodal Officer preferably of the rank of the Principal Secretary/Secretary, Home Department and communicate the name and contact details to the CTCR Division in MHA.

iv. The CTCR Division in MHA would maintain the consolidated list of all UAPA Nodal Officers and forward the list to all other UAPA Nodal Officers.

v. The RBI, IRDA should forward the consolidated list of UAPA Nodal Officers. To the banks, stock exchanges/depositories, intermediaries regulated by SEBI and insurance companies respectively.

vi. The consolidated list of the UAPA Nodal Officers should be circulated by the Nodal Officer of CTCR Division of MHA in July every year and on every change. Joint Secretary (CTCR) being the Nodal Officer of CTCR Division of MHA, shall cause the amended list of UAPA Nodal Officers to be circulated to the Nodal Officers of Ministry of External Affairs, Department of Economic Affairs, Foreigners Divisions of MHA, RBI, SEBI, IRDA and FIU-IND.

Communication of the list of designated individuals/entities

3. As regards communication of the list of designated individuals/entities-

i. The Ministry of External Affairs shall update the list of individuals and entities subject to UN sanction measures on a regular basis. On any revision, the Ministry of External Affairs would electronically forward this list to the Nodal Officers in Regulators, FIU-IND, CTCR Division and Foreigners Division in MHA,

ii. The Regulators would forward the list mentioned in (i) above (referred to as designated lists) to the banks, stock exchanges/ depositories, intermediaries regulated by SEBI and insurance companies respectively.

iii. The CTCR Division of MHA would forward the designated lists to the UAPA Nodal Officer of all States and UTs.

iv. The Foreigners Division of MHA would forward the designated lists to the immigration authorities and security agencies.

Regarding funds, financial assets or economic resources or related services held in the form of bank accounts, stocks or Insurance policies etc.

4. As regards funds, financial assets or economic resources or related services held in the form of bank accounts, stocks or Insurance policies etc., the Regulators would forward the designated lists to the banks, stock exchanges/depositories, intermediaries regulated by SEBI and insurance companies respectively. The RBI, SEBI and IRDA would issue necessary guidelines to banks, stock exchanges/depositories, intermediaries regulated by SEBI and insurance companies requiring them to-

i. Maintain updated designated lists in electronic form and run a check on the given parameters on a regular basis to verify whether individuals or entities listed in the schedule to the Order, herein after, referred to as designated individuals/entities are holding any funds, financial assets or economic resources or related services held in the form of bank accounts, stocks or Insurance policies etc., with them.

ii. In case, the particulars of any of their customers match with the particulars of designated individuals/entities, the banks, stock exchanges/depositories, intermediaries regulated by

SEBI and insurance companies shall immediately, not later than 24 hours from the time of finding out such customer, inform full particulars of the funds, financial assets or economic resources or related services held in the form of bank accounts, stocks or Insurance policies etc., held by such customer on their books to the Joint. Secretary (CTCR), Ministry of Home Affairs, at Fax No.011-23092569 and also convey over telephone or 011-23092736. The particulars apart from being sent by post, should necessarily be conveyed on e-mail id: jsctcr-mha@gov.in.

iii. The banks, stock exchanges/depositories, intermediaries regulated by SEBI and insurance companies shall also send a copy of the communication mentioned in (ii) above to the UAPA Nodal Officer of the State/UT where the account is held and Regulators and FIU-IND, as the case maybe.

iv. In case, the match of any of the customers with the particulars of designated individuals/entities is beyond doubt, the banks, stock exchanges/depositories, intermediaries regulated by SEBI and insurance companies would prevent designated persons from conducting financial transactions, under intimation to the Joint Secretary (CTCR), Ministry of Home Affairs, at Fax No.011-23092569 and also convey over telephone on 011-23092736. The particulars apart from being sent by post should necessarily be conveyed on e-mail id: jsctcr-mha@gov.in.

v. The banks, stock exchanges / depositories, intermediaries regulated by SEBI and insurance companies, shall file a Suspicious Transaction Report (STR) with

FIU-IND covering all transactions in the accounts covered by paragraph (ii) above, carried through or attempted as per the prescribed format.

5. On receipt of the particulars referred to in paragraph 4(ii) above, CTCR Division of MHA would cause a verification to be conducted by the State Police and/or the Central Agencies so as to ensure that the individuals / entities identified by the banks, stock exchanges/depositories, intermediaries regulated by SEBI and Insurance Companies are the ones listed as designated individuals/entities and the funds, financial assets or economic resources or related services, reported by banks, stock exchanges/depositories, intermediaries regulated by SEBI and insurance companies are held by the designated individuals/entities. This verification would be completed within a period not exceeding 5 working days from the date of receipt of such particulars.

6. In case, the results of the verification indicate that the properties are owned by or are held for the benefit of the designated individuals/entities, an order to freeze these assets under Section 51A of the UAPA would be issued by the UAPA Nodal Officer of CTCR Division of MHA and conveyed electronically/to the concerned bank branch, depository, branch of insurance company branch under intimation to respective Regulators and FIU-IND. The UAPA Nodal Officer of CTCR Division of MHA shall also forward a copy thereof to all the Principal Secretary/Secretary, Home Department of the States or UTs, so that any individual or entity may be prohibited from making any funds, financial assets or economic resources or related services available for the benefit of the designated individuals/entities or any other person engaged in or suspected to be engaged in terrorism. The UAPA Nodal Officer of CTCR Division of MHA shall also forward a copy of the order to all Directors General of Police/Commissioners of Police of all States/UTs for initiating acting under the provisions of the Unlawful Activities (Prevention) Act, 1967.

The order shall be issued without prior notice to the designated individual/entity.

Regarding financial assets or economic resources of the nature of immovable properties

7. CTCR Division of MHA would electronically forward the designated lists to the UAPA Nodal Officer of all States and UTs with the request to have the names of the designated individuals/entities, on the given parameters, verified from the records of the office of the Registrar performing the work of registration of immovable Properties in their respective jurisdiction.

8. In case, the designated individuals/entities are holding financial assets or economic resources of the nature of immovable property and if any match with the designated individuals/entities is found. The UAPA Nodal Officer of the State/UT would cause communication of the complete particulars of such individual/entity along with complete details of the financial assets or economic resources of the nature of immovable property to Joint Secretary (CTCR), Ministry of Home Affairs, immediately within 24 hours at Fax No.011-23092569 and also convey over telephone on 011-23092736. The particulars apart from being sent by post would necessarily be conveyed on e-mail id jusctcr-mha@gov.in.

9. The UAPA Nodal Officer of the State/UT may cause such inquiry to be conducted by the State Police so as to ensure that the particulars sent by the Register performing the work of registering immovable properties are indeed of these designated individuals/entities. This verification would be completed within a maximum of 5 working days and should be conveyed within 24 hours of the verification, if it matches with the particulars of the designated individual/entity to Joint Secretary (CTCR), Ministry of Home Affairs at the Fax, telephone numbers and also on the e-mail id given below.

10. A copy of this reference should be sent to Joint Secretary (CTCR), Ministry of Home Affairs, at Fax No. 011-23092569 and also conveyed over telephone on 01123092736. The particulars apart from being sent by post would necessary be conveyed on e-mail id: jusctcr-mha@gov.in. MHA may also have the verification conducted by the Central Agencies. This verification would be completed within a maximum of 5 working days.

11. In case, the results of the verification indicate that the particulars match with those of designated individuals/entities, an order under section 51A of the UAPA would be issued, by the UAPA Nodal Officer of CTCR Division of MHA and conveyed to the concerned Registrar performing the work of registering immovable properties and to FIU-IND under intimation to the concerned UAPA Nodal Officer of the State/UT.

The order shall be issued without prior notice to the designated individual/entity.

12. Further, the UAPA Nodal Officer of the State/UT shall cause to monitor the transactions/ accounts of the designated individual/entity so as to prohibit any individual or entity from making any funds, financial assets or economic resources or related services available for the benefit of the individuals or entities Listed in the Schedule to the Order or any other person engaged in or suspected to be engaged in terrorism. The UAPA Nodal Officer of the State / UT shall upon coming to his notice, transactions an attempts by third party

State / UT for also initiating action under the provisions of Unlawful Activities (Prevention) Act 1967

Implementation of requests received from foreign countries under U.N. Security Council Resolution 1373 of 2001.

13. U.N. Security Council Resolution 1373 obligates countries to freeze without delay the funds or other assets of persons who commit, or attempt to commit, terrorist acts or participate in or facilitate the commission of terrorist acts; of entities owned or controlled directly or indirectly by such person: and of persons and entities acting on behalf of, or at the direction of such persons and entities, including funds or other assets derived or generated from property owned or controlled, directly or indirectly, by such persons and associated persons and entities. Each individual country has the authority to designate the persons and entities that should have their funds or other assets frozen. Additionally, to ensure that effective cooperation is developed among countries, countries should examine and give effect to, if appropriate, the actions initiated under the freezing mechanisms of other countries.

14. To give effect to the requests of foreign countries under U.N. Security Council Resolution 1373, the Ministry of External Affairs shall examine the requests made by the foreign countries and forward it electronically, with their comments, to the UAPA Nodal Officer for CTCR Division for freezing of funds or other assets.

15. The UAPA Nodal Officer of CTCR Division of MHA, shall cause the request to be examined, within 5 working days, so as to satisfy itself that on the basis of applicable legal principles, the requested designation is supported by reasonable grounds, or a reasonable basis, to suspect or believe that the proposed designee is a terrorist, one who finances terrorism or a terrorist organization, and upon his satisfaction, request would be electronically forwarded to the Nodal Officers in Regulators, FIU-IND and to the Nodal Officers of the States/UTs. The proposed designee, as mentioned above would be treated as designated individuals/entities.

16. Upon receipt of the requests by these Nodal Officers from the UAPA nodal officer of CTCR Division, the procedure as enumerated at paragraphs 4 to 12 above shall be followed.

The freezing orders shall be issued without prior notice to the designated persons involved.

Procedure for unfreezing of funds, financial assets or economic resources or related services of individuals/entities inadvertently affected by the freezing

mechanism upon verification that the person or entity is not a designated person

17. Any individual or entity, if it has evidence to prove that the freezing of funds, financial assets or economic resources or related services, owned/held by them has been inadvertently frozen, they shall move an application giving the requisite evidence in writing, to the concerned bank, stock exchanges/depositories, intermediaries regulated by SEBI, insurance companies, Registrar of Immovable Properties and the State/UT Nodal Officers.

18. The banks stock exchanges/depositories, intermediaries regulated by SEBI, insurance companies, Registrar of Immovable Properties and the State/UT Nodal Officers shall inform and forward a copy of the application together with full details of the asset frozen given by 51 any individual or entity informing of the funds, financial assets or economic resources or related services have been frozen inadvertently, to the Nodal Officer of CTCR Division of MHA as per the contact details given in paragraph 4 (ii) above, within two working days.

19. The Joint Secretary (CTCR), MHA being the UAPA Nodal Officer for CTCR Division of MHA shall cause such verification, as may be required on the basis of the evidence furnished by the individual/entity, and if satisfied, he shall Pass an order, within 15 working days, unfreezing the funds, financial assets or economic resources or related services, owned/held by such applicant, under intimation to the concerned bank, stock exchanges/depositories, intermediaries regulated by SEBI, insurance company and the Nodal Officers of States/UTs. However, if it is not possible for any reason to pass an Order unfreezing the assets within 15 working days, the UAPA Nodal Officer of CTCR Division shall inform the applicant.

Communication of Orders under section 51A of Unlawful Activities (Prevention) Act, 1967.

20. All Orders under section 51A of Unlawful Activities (Prevention) Act, 1967 relating to funds, financial assets or economic resources or related services, would be communicated to all the banks, depositories/stock exchanges, intermediaries regulated by SEBI, insurance companies through respective Regulators, and to all Registrars performing the work of registering immovable properties, though the State/UT Nodal Officer by CTCR Division of MHA.

Regarding prevention of entry into or transit through India

21. As regards prevention of entry into or transit through India of the designated individuals. The Foreigners Division of MHA, shall forward the

22. The immigration authorities shall ensure strict compliance of the Orders and also communicate the details of entry or transit through India of the designated individuals as prevented by them to the Foreigners' Division of MHA.

23. The Nodal Officers of CTCR Division and Foreigners Division of MHA shall furnish the details of funds, financial assets or economic resources or related services of designated individuals/entities frozen by an order, and details of the individuals whose entry into India or transit through India was prevented, respectively, to the Ministry of External Affairs for onward communication to the United Nations.

(Piyush Goyal)

1. Governor, Reserve Bank of India, Mumbai.

2. Chairman, Securities & Exchange Board of India, Mumbai

➔ KYC Documents Individuals.

✓ Individuals (Documents acceptable as proof of identity/ address)

☐ PAN Card/FORM 60 (Mandatory)

☐ Passport

[?] Voter's Identity Card

☐ Driving Licence

□ A II . . . I / I . . .

☐ NREGA Card (ISSUED BY GOV. ONLY)

Any one document towards proof of identity and proof of address (either permanent or current)

✓ Minors

If minor is less than 10 years of age, ID proof of the person who will operate the account to be submitted.

In cases where minor can operate the account independently, KYC procedure for identification/address verification as in the case of any other individuals would apply.

✓ NRIs

Passport and Residence Visa Copies, duly attested by:-

☐ Foreign officers

☐ Notary Public.

☐ Indian Embassy.

☐ Officers of correspondent banks whose signatures are verifiable through an authorized (A/B category Forex handling branch) branch of the Bank.

✓ Small Accounts

(small account' means a savings account in a banking company where.

- ☐ The aggregate of all credits in a financial year does not exceed rupees one lakh;
- ☐ The aggregate of all withdrawals and transfers in a month does not exceed rupees ten thousand; and
- ☐ The balance at any point of time does not exceed rupees fifty thousand)

Submission of self-attested photograph and affixation of signature of thumb impression before the officer of the Bank who is authorized to approve opening of accounts who will certify under the signature that the person opening the account has affixed his signature of thumb impression, as the case may be, in his presence.

(small account shall remain operational initially for a period of twelve months, and thereafter for a further period of twelve months if the holder of such an account provides evidence before the Bank of having applied for any of the officially valid documents within twelve months of the opening of the said account, with the entire relaxation provisions to be reviewed in respect of the said account after twenty four months)

A small account can also be opened with any one of the following documents which are deemed as 'Officially Valid Documents'

- ☐ Identity card with applicant's photograph issued by Central/State Government Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, and Public Financial Institutions;
- ☐ Letter issued by a gazette officer, with a duly attested photograph of the person.

➔ Accounts of Proprietary concerns

Proof of the name, address and activity of the concern

- ❑ Registration certificate (in the case of a registered concern).
- ❑ Certificate/licence issued by the Municipal authorities under Shop & Establishment Act.
- ❑ Sales and income tax returns
- ❑ CST/VAT certificate.
- ❑ Certificate /registration document issued by Sales Tax/Service Tax/Professional Tax authorities.
- ❑ Licence issued by the Registering authority like Certificate of Practice issued by institute of Chartered Accountants of India, Institute of Cost Accountants of India, Institute of Company Secretaries of India, Indian Medical Council, Food and Drug Control Authorities, registration /licensing document issued in the name of the proprietary concern by the Central Government of State Government Authority/ Department, etc.
- ❑ Banks may also accept IEC (Importer Exporter Code) issued to the proprietary concern by the office of DGFT as an identity document for opening of the bank account etc.
- ❑ The complete Income Tax return (not just the acknowledgement) in the name of the sole proprietor where the firm's income is reflected, duly authenticated/ acknowledged by the Income Tax Authorities.
- ❑ Utility bills such as electricity, water , and landline telephone bills in the name of the proprietary concern.

Any two of the above documents would suffice. These documents should be in the name of the proprietary concern.

PLUS :

ID and address proof of the proprietor

➔ Accounts of partnership firms

☐ Registration certificate

☐ Partnership deed

☐ An officially valid document in respect of the person holding a power of attorney to transact on its behalf.

PLUS :

Proof of identity & address of all the partners / beneficial owners – natural persons if beneficial owners are non individuals (owning 15% capital or entitled for 15% profits)

➔ Accounts of companies

☐ Certificate of incorporation.

☐ Memorandum & Articles of Association.

☐ A resolution from the Board of Directors and power of attorney granted to its managers, officers or employee to transact on its behalf, and

☐ An officially valid document in respect of managers, officers or employees holding an attorney to transact on its behalf.

PLUS :

Prof of identity & address of all the beneficial owners (natural persons if beneficial owners are non individuals) (owning 25% share or capital or entitled for 25% profits in case of company which is not company listed in stock exchange or is a company majority owned one by such listed company is not warranted)

➔ Accounts of trusts & foundations

- ☐ Certificate of registration;
- ☐ Trust Deed.
- ☐ An officially valid document in respect of the person holding a power of attorney to transact on its behalf.

PLUS :

Proof of identity and address of persons like trustees, executors, administrators etc. (beneficial owners – natural persons)

➔ Accounts of Unincorporated association or body of individuals

- ☐ Regulation of the managing body of such association or body of individuals;
- ☐ Power of attorney granted to him to transact on its behalf;
- ☐ An officially valid document in respect of the person holding an attorney to transact on its behalf; and
- ☐ Such information as may be required by the bank to collectively establish the legal existence of such an association or body of individuals.

➔ Hindu Undivided Family (HUF)

- ☐ Declaration from the Karta.
- ☐ Proof of Identification of Karta.
- ☐ Prescribed Joint Hindu Family Letter signed by all the adult coparceners.
- ☐ Identity of the adult coparceners.