

## **Testwale Current Affairs PDF**

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### **1. Supreme Court upholds ED's power to arrest in money laundering cases ( July 27, 2022 )**

The Supreme Court on 27 July upheld the constitutional validity of certain provisions of the Prevention of Money Laundering Act (PMLA).

#### **Important facts**

- A bench headed by Justice AM Khanwilkar delivered the verdict on petitions challenging the process of arrest, seizure and investigation conducted by the ED.
- The Supreme Court upheld the Enforcement Directorate's power to make inquiries, arrests and attachments in relation to assets under the Prevention of Money Laundering (PMLA) Act.
- The Supreme Court upheld the constitutionality of the provisions of sections 5, 8 (4), 15, 17 and 19 of the PMLA, which deal with the ED's powers of arrest, attachment and search and seizure.
- The Supreme Court clearly said that the Enforcement Case Information Report (ECIR) which is considered as a copy of FIR in a way, it is not necessary to give this copy to the accused. It will be enough for the ED to give reasons at the time of arrest.

#### **What is the Prevention of Money Laundering Act?**

- The Act was enacted in 2002 and came into force in 2005.
- The main objective of this law is to fight the process of converting black money into white (money laundering).
- The authority responsible for investigating crimes under PMLA is the Enforcement Directorate-ED.
- Persons found guilty of money laundering shall be punishable with rigorous imprisonment of not less than 3 years, which may extend to 7 years, with fine.

#### **Objectives of PMLA**

- To prevent the use of black money in illegal activities and economic crimes
- Seizing property involved in or derived from money laundering
- Attempts to prevent other forms of money laundering offences

#### **Enforcement Directorate (ED)**

- It was established in the year 1956 and its headquarter is in New Delhi.

- It is responsible for implementing certain provisions under the Foreign Exchange Management Act, 1999 (FEMA) and the Prevention of Money Laundering Act.
- It works under the administrative control of the Revenue Department for operational purposes.