Adjudicating Authority under the Prevention of Money Laundering Act (PMLA)

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About Adjudicating Authority under the PMLA

- Under PMLA, an **adjudicating authority determines** within 180 days **whether theproperties attached by** the Enforcement Directorate (ED) **are involved in money laundering or not.**
- **Functioning:**
    - Section 5 of the **PMLA provides for** the **attachment of any property** that is suspected to have been **acquired with the proceeds of crime** in a case of any offence that is listed in the schedule of the law.
    - The attachment **order is issued if the ED Director feels** that “such proceeds of crime are likely to be concealed, transferred, or dealt with in any manner which may result in frustrating any proceedings relating to confiscation of such proceeds of crime”.
    - This provisional attachment order is **valid fora period of180 days.**

    - It **must be confirmed** within this time **by an adjudicating authority** appointed by the central government, **failing which** the **property is automatically released** from attachment.
    - Because the initial attachment is provisional, the **accused** can **continue to enjoy the property until theadjudicating authority confirms** the attachment, **after which** the **ED has the power to claim possession**.
- **What happens after the Adjudicating Authority confirms the attachment?**
    - The accused has the **right to challenge** the adjudicating authority's **confirmation order at** the PMLA's Appellate Tribunal **within 45 days**.
    - **If the Appellate Tribunal too confirms** the order, the accused **can file a plea in the High Court**, and so on.
    - Unless the property is released along the way, it shall **remain out of boundsfor the owner until the trial** is **completed.**
    - Following final confirmation, in the case of a residential property, the ED will ask the owner to vacate the premises along with his belongings, and will take over possession.
    - **In case of a conviction**, the **trial court may order confiscationof** the **attached property,** and **vest the rights** to the property **with the central government**.
    - **Attached properties may remain locked for years** as the legal process continues, and may start to crumble and decay.

Q1: What is the Enforcement Directorate (ED)?

The Directorate of Enforcement or Enforcement Directorate (ED) is a domestic law enforcement agency and economic intelligence agency. It is responsible for enforcing economic laws and fighting economic crimes in India. The origin of the ED goes back to May 1956, when an "enforcement unit" was formed, for handling Exchange Control Laws violations under the Foreign Exchange Regulation Act, 1947. In 1957, the unit was renamed as the Enforcement Directorate. Ministry of Finance is the nodal ministry of ED.

Source: What is the 'Adjudicating Authority' that has confirmed ED's attachment of Rahul-Sonia-promoted company's assets?
