



ALL INDIA BANK OFFICERS' CONFEDERATION

(Registered under the Trade Unions Act 1926, Registration No.3427/Delhi)

C/o State Bank of India Officers' Association (North-Eastern Circle)

State Bank of India, LHO, Dispur, Guwahati, Assam – 781006



9957563825



@aiboc_in



aiboc.sectt@gmail.com ; rupamr.aiboc@gmail.com



Circular No. 2024/28

Date: 13.11.2024

To All Affiliates (Please Circulate)

Dear Comrades,

We reproduce below the text of our letter no AIBOC/2024/23 sent to the Secretary, Department of Financial Services

The Secretary
Department of Financial Services
Ministry of Finance
Government of India
New Delhi – 110001

Dear Sir,

CONCERNS REGARDING THE ARREST OF BANK OFFICERS UNDER THE PMLA ACT FOR ACCOUNTS USED IN MONEY LAUNDERING ACTIVITIES

On behalf of the All India Bank Officers Confederation (AIBOC), we wish to draw your attention to a pressing concern that has caused considerable anxiety within the banking community. Recent instances have come to light where bank officers have been arrested under the Prevention of Money Laundering Act (PMLA) for accounts that were allegedly misused for money laundering activities. This has raised significant apprehensions among bankers, especially when such accounts had otherwise met all prescribed KYC norms at the time of opening.

While we unequivocally support the government's mission to combat money laundering and financial crime, we believe it is essential to underscore the challenges faced by bankers in detecting instances of fraudulent activity when KYC documentation is complete and appears in order. Bank officers are committed to ensuring adherence to all regulatory guidelines, and in cases where KYC documents are properly furnished, the subsequent misuse of an account may not be reasonably foreseeable by the officer processing the account. Given the large volume of accounts handled daily, bankers rely on established documentation requirements, which, when met, typically indicate compliance.

In this context, we respectfully urge the Department of Financial Services to consider implementing safeguards for bankers who have acted in good faith and in compliance with prescribed norms. This may involve a fair and transparent review process before subjecting officers to criminal procedures under PMLA, especially where there is no evident malafide intent.

Given the complexities of financial crime, we also suggest a stronger collaboration between banking institutions, regulatory bodies, and law enforcement agencies to protect the interests of genuine employees while preventing the misuse of banking channels for illicit purposes. The reliance on Branch officials, who lack the necessary

technical tools, for detecting and monitoring money laundering activities should be minimized. Instead, detection and monitoring should be carried out using advanced technical tools and centralized mechanism.

The well-being and morale of bank officers are crucial for the smooth functioning of our financial system. We are committed to upholding the highest ethical standards in banking and will continue supporting the government's anti-money laundering objectives. However, measures to protect honest officers from punitive actions will go a long way in maintaining their dedication and trust in the system.

We request an opportunity to discuss this matter further and explore solutions that safeguard the interests of both the banking sector and our nation's financial integrity.

Thank you for your attention to this important matter. We look forward to your support and necessary actions.

Yours sincerely,

A handwritten signature in purple ink, appearing to read 'Rupam Roy', with a horizontal line extending to the right and ending in a small arrowhead.

(Rupam Roy)

General Secretary