



ENFORCEMENT DIRECTORATE



Context

- The Union government stated in the Supreme Court that the current Enforcement Directorate (ED) chief's mandate will not be extended beyond November 2023.

About

- The Enforcement Directorate (ED) is a law enforcement agency of the Government of India that is responsible for enforcing Economic Laws and fighting Economic Crimes.

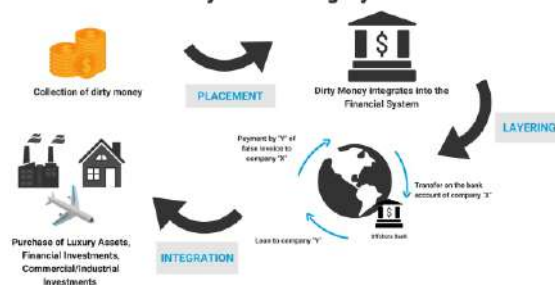
Established

- On 1st May, 1956 - 'Enforcement Unit' was formed in the Department of Economic Affairs for handling Exchange Control Laws violations under **Foreign Exchange Regulation Act (FERA), 1947**.
- **Present status:**
 - Currently, it is part of the Department of Revenue, the Union Ministry of Finance.
 - It is responsible for enforcing the provisions of the Prevention of Money Laundering Act, 2002 (PMLA) and the Foreign Exchange Management Act, 1999 (FEMA) in cases of economic offences and cross-border crimes.

Structure of Enforcement Directorate

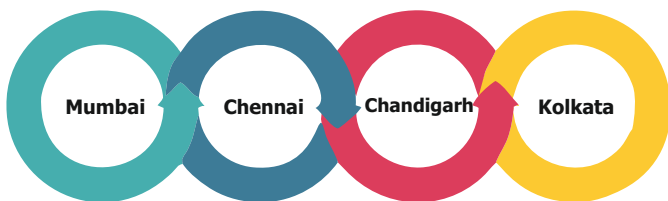
- **Office:** The Directorate of Enforcement, with its headquarters at New Delhi, is headed by the Director of Enforcement.
- **Recruitment:**
 - Recruitment of the officers is done directly and by drawing officers from other investigation agencies.
 - It comprises officers of IRS (Indian Revenue Services), IPS (Indian Police Services) and IAS (Indian Administrative Services) such as Income Tax officer, Excise officer, Customs officer, and police.
- **Tenure:** The chiefs of the Central agencies currently have a fixed two year tenure, but can now be given three annual extensions.

Money Laundering Cycle



Regional centres

- There are 4 regional offices headed by Special Directors of Enforcement other than the one in Delhi at:



Statutory Functions

COFEPOSA, 1974:
ED empowered to sponsor cases of preventive detention with regard to contraventions of FEMA.

Foreign Exchange Management Act, 1999 (FEMA): ED has been given the responsibility to conduct investigation into suspected contraventions of foreign exchange laws and regulations, to adjudicate and impose penalties on those adjudged to have contravened the law.

Prevention of Money Laundering Act, 2002 (PMLA):
It has the responsibility of executing the provisions of PMLA by conducting investigation to trace the assets derived from proceeds of crime.

Fugitive Economic Offenders Act, 2018 (FEOA): It has mandated to attach the properties of the fugitive economic offenders who have escaped from India warranting arrest and provide for the confiscation of their properties to the Central Government.



- Both FEMA and PMLA apply to the whole of India. So, the ED can take action against any person to whom these acts apply.
- Whenever any offence is registered by a local police station, which has generated proceeds of crime over and above ₹1 crore, the investigating police officer forwards the details to the ED.
- The ED carries out search (property) and seizure (money/documents) after it has decided that the money has been laundered as per PMLA.
- If the person is arrested, the ED gets 60 days to file the prosecution complaint (chargesheet) as the punishment under PMLA doesn't go beyond seven years.
- If no one is arrested and only the property is attached, then the prosecution complaint along with attachment order is to be submitted before the adjudicating authority within 60 days.

Recent Developments

- In its recent amendment, the Central Government listed 15 government bodies that are required to share information with the Enforcement Directorate under the Prevention of Money Laundering Act (PMLA).
- In November 2021, the President of India promulgated two ordinances allowing the Centre to extend the tenures of the directors of the Central Bureau of Investigation (CBI) and the Enforcement Directorate from two years to up to five years.