

Order in original No. 10/DIR/FIU-IND/2024 in the matter of Binance¹ u/s Section 13 dated 19.06.2024

1. Binance by virtue of operating as Virtual Digital Asset Service Provider (VDA SP) carrying on designated business or profession as other activities under Section 2(sa)(vi) of the Prevention of Money Laundering Act (PMLA), 2002 (hereinafter referred to as 'the Act') is a Reporting Entity (RE) in terms of Section 2(1) (wa) of the Act.
2. Consequently, due to Binance's ongoing provision of services to Indian clients and operations within India without adhering to its statutory obligations under the PMLA a Notice dated December 28, 2023, was issued to Binance pursuant to Section 13 of the Act, compelling Binance to demonstrate why appropriate action should not be undertaken against it for its dereliction of duties under the Act, despite its status as a Reporting Entity owing to its operations as a Virtual Digital Asset Service Provider (VDA SP).
3. After considering the written and oral submissions of the Binance, Director, FIU-IND, based on the material available on record, found that the charges against Binance were substantiated. Consequently, the Director FIU-IND vide order dated 19th June, 2024 in exercise of powers under Section 13 PMLA, imposed a total penalty of Rs. 18,82,00,000 (Rupees Eighteen Crore Eighty Two Lakh Only) on the Binance with reference to following violations committed by the Binance.
 - (i) Contravention of Section 12(1), PMLA r/w Rules 7(1), PML Rules
 - (ii) Contravention of Section 12(1), PMLA r/w Rules 3(1)(D) and 7(3), PML Rules
 - (iii) Contravention of Section 12(1), PMLA r/w Rule 8(2) PML Rules
4. Furthermore, specific directions have also been issued to Binance to ensure diligent compliance with the obligations outlined in Chapter IV of the Prevention of Money Laundering Act (PMLA) of 2002, in conjunction with the PMLA Maintenance of Record Rules (PMLA Rules) of 2005 for prevention of money laundering activities and combating the financing of terrorism (AML/CFT).

Disclaimer: The summary of the instant order is only representational in nature and does not hold any legal significance and cannot be relied upon or referred to as a precedence in any other case.

¹ In respect of the following entities:

- (i) Binance Investments Co., Ltd., House of Francis, Room 303, Ile Du Port, Mahe, Seychelles
- (ii) Binance Holdings Limited, C/o International Corporation Services Ltd Harbour Place, 2nd Floor North Wing GEORGE TOWN, GRAND CAYMAN Cayman Islands
- (iii) Binance (Switzerland) AG, Gubelstrasse 11, 6300 Zug.
OR any other entity carrying out activities in Indian jurisdiction with various URLs including <https://www.binance.com>