

Income Tax: Inclusion of agents under PMLA

MINISTRY OF FINANCE (Department of Revenue)

NOTIFICATION

New Delhi, the 9th May, 2023

S.O. 2135(E).— In exercise of the powers conferred by subclause (vi) of clause (sa) of sub-section (1) of section 2 of the Prevention of Money-Laundering Act, 2002 (15 of 2003) (hereinafter referred to as the Act), the Central Government hereby notifies that the following activities when carried out in the course of business on behalf of or for another person, as the case may be, as an activity for the purposes of said sub-clause, namely:-

- (i) acting as a formation agent of companies and limited liability partnerships;
- (ii) acting as (or arranging for another person to act as) a director or secretary of a company, a partner of a firm or a similar position in relation to other companies and limited liability partnerships;
- (iii) providing a registered office, business address or accommodation, correspondence or administrative address for a company or a limited liability partnership or a trust;
- (iv) acting as (or arranging for another person to act as) a trustee of an express trust or performing the equivalent
- (v) acting as (or arranging for another person to act as) a nominee shareholder for another person.

Explanation.—For removal of doubts, it is clarified that the following activities shall not be regarded as activity for the purposes of sub-clause (vi) of clause (sa) of sub-section (1) of section 2 of the Act, namely:-

- (a) any activity that is carried out as part of any agreement of lease, sub-lease, tenancy or any other agreement or arrangement for the use of land or building or any space and the consideration is subject to deduction of income-tax as defined under section 194-1 of Income-tax Act, 1961 (43 of 1961); or
- (b) any activity that is carried out by an employee on behalf of his employer in the course of or in relation to his employment; or
- (c) any activity that is carried out by an advocate, a chartered accountant, cost accountant or company secretary in practice, who is engaged in the formation of a company to the extent of filing a declaration as required under clause (b) of sub-section (1) of section 7 of Companies Act, 2013 (18 of 2013); or

(d) any activity of a person which falls within the meaning of an intermediary as defined in clause (n) of sub-section (1) of section 2 of the Prevention of Money-laundering Act. 2002 (15 of 2003).

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SHASHANK MISRA, Director (Headquarter)