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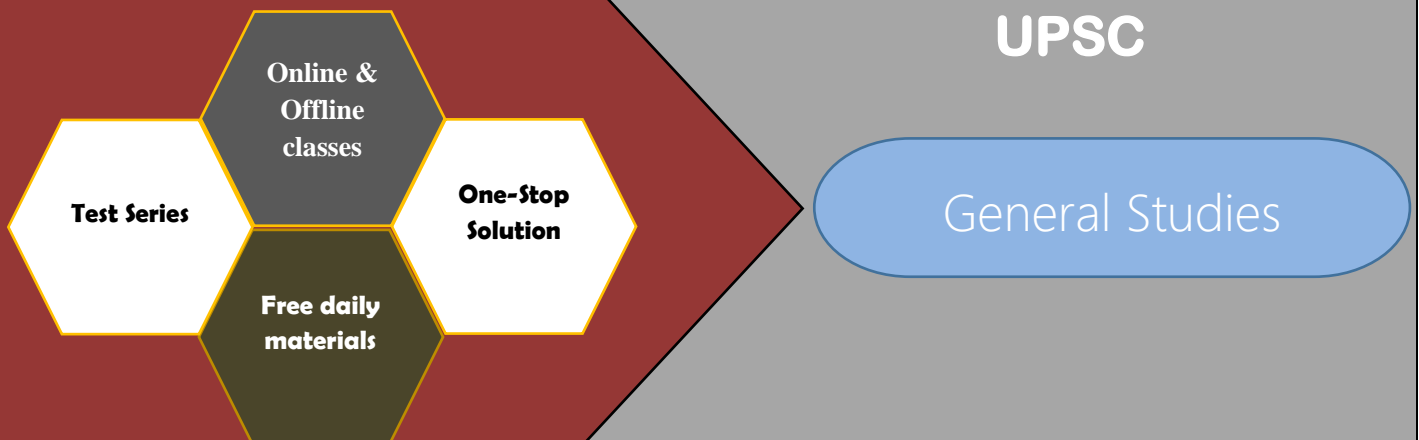
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Enforcement Directorate

Notes for civil services preparation



Enforcement Directorate

About Enforcement Directorate:

- It is a Multi Disciplinary Organization mandated with the task of enforcing the provisions of two special fiscal laws – Foreign Exchange Management Act, 1999 (FEMA) and Prevention of Money Laundering Act, 2002 (PMLA).

Historical background:

- The origin of this Directorate goes back to **1st May, 1956, when an ‘Enforcement Unit’** was formed, in Department of Economic Affairs, for handling Exchange Control Laws violations under **Foreign Exchange Regulation Act, 1947 (FERA ’47)**.
- In the year 1957, this Unit was renamed as **‘Enforcement Directorate’**. The **administrative control of the Directorate was transferred from Department of Economic Affairs to Department of Revenue in 1960**.
- For a short period of 04 years (1973 – 1977), **the Directorate also remained under the administrative jurisdiction of Department of Personnel & Administrative Reforms.**

Powers:

The Directorate enforces two laws;

1. **FEMA, a Civil Law having quasi judicial powers**, for investigating suspected contraventions of the Exchange Control Laws and Regulations with the powers to impose penalties on those adjudged guilty.
2. **PMLA, a Criminal Law**, whereby the Officers are empowered to conduct enquiries to locate, provisionally attach/confiscate assets derived from acts of Schedules Offences besides arresting and prosecuting the Money Launderers.

Composition:

- Besides directly recruiting personnel, the Directorate also draws officers from different Investigating Agencies, viz., Customs & Central Excise, Income Tax, Police, etc. on deputation.

Other functions:

- Processing cases of fugitive/s from India under **Fugitive Economic Offenders Act, 2018**.
- Sponsor cases of preventive detention under **Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974(COFEPOSA)** in regard to contraventions of FEMA.

Special courts:

- For the trial of an offence punishable under section 4 of PMLA, **the Central Government (in consultation with the Chief Justice of the High Court), designates one or more Sessions Court as Special Court(s).** The court is also called “**PMLA Court**”.
- Any appeal against any order passed by PMLA court can directly be filed in the High Court for that jurisdiction.

