



AML INSIGHTS

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Jewellers Must Urgently Embrace PMLA Compliance - "Act Now Before It's Too Late"

Following the classification of gold as an "asset class," Jewellers now need to ensure that they comply with the guidelines under the Prevention of Money Laundering Act (PMLA). Gold transactions are no longer informal—they must be traceable, and mandatory hallmarking serves as a registration mechanism, ensuring a digital audit trail. Selling or purchasing non-hallmarked jewellery is now considered a legal offence, punishable under PMLA with imprisonment, even without bail.

Jewellers must strictly follow KYC norms: any cash transaction above ₹50,000 requires full KYC (including Aadhaar and address proof), PAN is mandatory above ₹2 lakh, and aggregated transactions exceeding ₹10 lakh in a month must be reported to the Financial Intelligence Unit (FIU-IND). Even routine practices like jewellery exchanges or split transactions within families can be flagged if not properly documented.

The consequences of ignoring these mandates can be severe, with possible restrictions on cash dealings in the jewellery sector. However, compliance, though initially cumbersome, enhances long-term customer trust, improves transparency, and protects businesses from legal and reputational risks. For Jewellers, adhering to PMLA is not just a regulatory requirement—it is a business necessity.

Highlights for the month of August 2025 gone by:

- Navigating the New Era: AML-Compliant Crypto Platforms as Strategic Investments in Asia-Pacific.
<https://www.ainvest.com/news/navigating-era-aml-compliant-crypto-platforms-strategic-investments-asia-pacific-2508/>
- International drug cartel with Indians acting as 'mules' under ED scanner, raids across states.
<https://indianexpress.com/article/india/international-drug-cartel-indians-mules-ed-scanner-raids-10205669/>
- *The Growing Risks and Opportunities in Crypto-Driven Cybercrime and Regulatory Response in India.*
- New FATF Insights on Terrorist Financing: Trends, Red Flags, And FSP Expectations
- Fatf-to-countries-monitor-digital-assets-development-provide-tools-to-watch-potential-terrorist-activities/& act.

Note - For any queries related to PMLA, please contact the Compliance team-will be happy to help

