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# **Knowledge Management**

Semi-Annual Anti-Corruption, White Collar  
Crimes & Investigations Compendium 2024

July – December 2024

# Semi-Annual Anti-Corruption, White Collar Crimes & Investigations Compendium 2024



## Introduction

The second half of 2024 witnessed significant enforcement actions and judicial developments. In addition to multiple arrests, raids, and investigations undertaken by the Central Bureau of Investigation (“CBI”) and the Enforcement Directorate (“ED”). It also witnessed some notable judicial developments surrounding the white-collar crimes.

This Compendium consolidates all key developments pertaining to Anti-Corruption, White Collar Crimes & Investigations (“AWCCI”) Practice, which were circulated as JSA Newsletters during the calendar period from July 2024 till December 2024.

Please [click here](#) to access the Semi-Annual AWCCI Compendium – January 2024 to June 2024.

## Legislative/regulatory developments

### Jan Vishwas (Amendment of Provisions Act) comes into effect

The Jan Vishwas (Amendment of Provisions) Act, 2023, brought certain minor amendments to the schedule of offences (predicate offences) listed out under the Schedule to the Prevention of Money Laundering Act, 2002 (“PMLA”). The primary aim of the amendment is to decriminalise and remove certain offenses in order to reduce the compliance burden on individuals and businesses with the objective of ease of doing business.

In nutshell, the amendment brought into force a total of 4 (four) amendments (including deletions/omissions) to the existing schedule under PMLA. The changes are brought in relation to the following offences:



1. offences under the Trade Marks Act, 1999 (paragraph 21 of the Schedule under the PMLA) – omitted reference to penalty for falsely representing a trade mark as registered;
2. offences under the Information Technology Act, 2000 (paragraph 22 of the Schedule under the PMLA) - omitted reference to penalty for breach of confidentiality and privacy;
3. deletion of offences under the Environment Protection Act, 1986 in entirety (paragraph 25 of the Schedule under the PMLA); and
4. deletion of Offences under the Air (Prevention and Control of Pollution) Act, 1981 in entirety (paragraph 27 of the Schedule under the PMLA).

### CERT-In Advisory on Deepfake technology

On November 27, 2024, CERT-In issued an advisory note on 'Deepfake - Threats and Countermeasure' as deepfake technology, which uses Artificial Intelligence ("AI") to create highly realistic and convincing fake videos, images, and audio, poses significant risks, including disinformation, fraud, and social engineering attack. The advisory offers practical measures to detect and prevent deepfake scams, including verifying sources, looking for distinctive signs of manipulation, and using multi-factor authentication. The organisations are advised to take following measures such as use of watermark, implementation of the verification protocols for digital communications, use of advance detection tools for identification of the deepfake videos/images/content, digital forensic capabilities, develop a crisis management strategy, and conduct regular security audits.

### Insurance Regulatory and Development Authority of India press release on information security

The Insurance Regulatory and Development Authority of India ("IRDAI") issued a press release addressing the data breaches reported by 2 (two) insurers. The IRDAI emphasises the importance of data security and outlines the steps being taken to protect policyholders' data and interests. It is recommended to implement robust Information Technology ("IT") and cyber

security frameworks and appoint the independent auditor for comprehensive IT audits. The Indian insurers are also recommended to address the Agent Performance Indicator (API) vulnerabilities, gap assessments, and 'Vulnerability Assessment and Penetration Testing' (VAPT) issues to strengthen the data protection measures.

### India strengthens cybersecurity with advanced forensic labs and nationwide initiatives

In 2024, the Ministry of Home Affairs intensified its fight against cybercrime through the Indian Cyber Crime Coordination Centre (I4C) and the National Cyber Crime Reporting Portal. Key achievements include safeguarding public funds through the Citizen Financial Cyber Fraud Reporting System, blocking fraudulent SIM cards and IMEIs linked to cyber fraud, and launching advanced forensic laboratories in New Delhi and Hyderabad, aiding thousands of investigations. Over 1,00,000 (one lakh) officials are trained in cyber hygiene, supported by extensive awareness campaigns via SMS, social media, and public outreach.

Under the Cyber Crime Prevention for Women and Children (CCPWC) initiative, significant investments have enhanced cyber forensic labs and the training of law enforcement agencies across India's states and union territories.



### Judicial Discourse

1. The Hon'ble Supreme Court of India ("Supreme Court") in *Kalvakuntla Kavitha vs. ED*<sup>1</sup> granted bail to an accused in the case of the ED relating to the Delhi Excise Policy Scam, setting aside an order of the Delhi High Court ("Delhi HC").<sup>2</sup> The

<sup>1</sup> 2024 SCC OnLine SC 2269

<sup>2</sup> *Kalvakuntla Kavitha vs. CBI*, 2024 SCC OnLine Del 4459

Supreme Court held that since proviso to Section 45(1) of the PMLA specifically provides for special treatment for a certain category of accused, namely women, hence, while denying such a benefit, the court will be required to give specific reasons for denial of such benefit. It further set aside the interpretation of the Delhi HC that such proviso was only applicable to 'vulnerable women'. The Supreme Court reiterated the principle that prolonged incarceration before being pronounced guilty of an offence should not be permitted to become punishment without trial.

2. The Supreme Court in **Frank Vitus vs. Narcotics Control Bureau**<sup>3</sup> granted bail to an accused in a case registered under the Narcotic Drugs and Psychotropic Substances Act, 1985 ("NDPS"), holding that imposition of any bail condition which enables the police/investigating agency to track every movement of the accused by using any technology or otherwise would violate the fundamental right to privacy of the accused guaranteed under Article 21 of the Constitution of India. The bail condition of the accused having to drop a pin on Google Maps was set aside as illegal, and upon hearing Google LLC on technical aspects, such condition was also found to be redundant. The Supreme Court further set aside a bail condition that required the accused (a foreigner) to produce a certificate from the concerned embassy/high commission assuring that the accused will not leave the country and will appear before the trial court. The Supreme Court held that grant of such a certificate is beyond the control of the accused, who should not be denied bail if otherwise entitled, nor can a bail condition be imposed which is impossible for the accused to comply with.
3. The Supreme Court in **Nikhil vs. State of Maharashtra**<sup>4</sup> held that for suspending a sentence of an accused pending appeal, courts cannot impose a condition of depositing 50% of the compensation imposed under Section 357 of the Code of Criminal Procedure, 1973 ("CrPC"). The compensation had been directed to be paid after

such accused was found guilty of criminal breach of trust.

4. Various High Courts have held that any fresh proceedings after July 1, 2024, would have to be filed/instituted under the Bharatiya Nagarik Suraksha Sanhita, 2023 ("BNSS") and not under the repealed CrPC, in view of Section 531 of BNSS. Only proceedings under the CrPC which were 'pending' or ongoing as on July 1, 2024, would continue under the CrPC. In particular, it is clarified that:
  - a) even if a First Information Report ("FIR") was registered under the CrPC prior to July 1, 2024, the petition for quashing of such FIR, if filed after July 1, 2024, must be filed under the BNSS (Punjab & Haryana High Court<sup>5</sup>, Delhi HC,<sup>6</sup> etc.);
  - b) if an FIR was registered under the CrPC prior to July 1, 2024, then the investigation and trial will be conducted as per the CrPC (Rajasthan High Court<sup>7</sup>);
  - c) even if an application seeking anticipatory bail under the CrPC is disposed of, if the subsequent application for anticipatory bail is filed after July 1, 2024, such subsequent application will be filed under the BNSS, and not the CrPC. Further, even though Section 482 of the BNSS no longer provides for an 'interim order' of anticipatory bail as Section 438 of the CrPC used to, the power to grant such interim relief is inherent in the High Court and Sessions courts (Bombay High Court<sup>8</sup>).
5. The Supreme Court in **Dhanraj Aswani vs. Amar S. Mulchandani and Anr**<sup>9</sup> held that when an accused is in custody in relation to one offence, his arrest or custody may still be sought subsequently for another offence, and therefore, the accused had the right to seek anticipatory bail for such apprehension of subsequent arrest. The clarification is important since multiple investigating agencies seek arrest, custody and interrogation in cases involving the PMLA and other scheduled offences.

<sup>3</sup> (2024) 8 SCC 415

<sup>4</sup> SLP(Crl.) No. 10302/2023 decided on July 11, 2024

<sup>5</sup> *Abhishek Jain vs. State (U.T. of Chandigarh)*, 2024 SCC OnLine P&H 9874

<sup>6</sup> *Prince vs. State (NCT of Delhi)*, 2024 SCC OnLine Del 4909

<sup>7</sup> *Krishan Joshi vs. State of Rajasthan*, 2024 SCC OnLine Raj 2042

<sup>8</sup> *Chowgule & Co. (P) Ltd. vs. State of Goa*, 2024 SCC OnLine Bom 2501

<sup>9</sup> Criminal Appeal No. 2501/2024 decided on September 9, 2024

6. The Supreme Court in ***Abhishek Banerjee and Anr. vs. Directorate of Enforcement***<sup>10</sup> held that summons under Section 50 of the PMLA would not be bound by the procedure and limitations provided for summons under Section 160 of the CrPC, since the PMLA was overriding legislation and Section 160 of the CrPC was inconsistent with Section 50 of the PMLA in several ways.
7. The Supreme Court in ***Prem Prakash vs. Union of India through ED***<sup>11</sup> held that even though a statement made by an accused under Section 50 of the PMLA while in the custody of the ED officers is admissible in evidence, an incriminating statement made by such accused in relation to a different the ED case would be inadmissible. The Supreme Court reasoned that it cannot be ruled out that such an accused was in an environment of coercion. The court also applied Section 25 of the Indian Evidence Act, 1872, which bars confessions made to police officers from being read in evidence against the accused, in the limited manner permitted by the court's judgment in *Vijay Madanlal Choudhary and Ors. vs. Union of India and Ors*<sup>12</sup>.
8. The Supreme Court in ***V. Senthil Balaji vs. the Deputy Director, ED***<sup>13</sup> held that stringent twin conditions for bail in statutes such as the PMLA, the NDPS Act and the Unlawful Activities (Prevention) Act, 1967 are inconsistent with inordinate delay in conclusion of the trial. While granting bail to Balaji in the PMLA case, the court observed that the trials for both the scheduled offence and the offence under PMLA could not possibly conclude in a reasonable time.
9. The Supreme Court, in 2 (two) separate cases applied beneficial provisions of BNSS or CrPC to the PMLA. In ***Badshah Majid Malik vs. Directorate of Enforcement and Ors.***<sup>14</sup> the court applied Section 479(1) of the BNSS and granted bail to an accused who had spent more than one-third of the maximum imprisonment for the offence of money laundering. In ***Directorate of Enforcement vs. Bibhu Prasad Acharya***,<sup>15</sup> the Supreme Court held Section 197(1) of the CrPC applicable to the PMLA, which relates to grant of prior sanction while prosecuting public servants. A cognisance order passed under the PMLA was quashed because of non-compliance with Section 197(1).
10. The Supreme Court in ***Asha Dubey vs. The State of Madhya Pradesh***<sup>16</sup> held that if an accused is declared a proclaimed offender under Section 82 of the CrPC, the same would not automatically disentitle such accused from seeking anticipatory bail, if otherwise grounds for bail are made out.
11. In ***M. R. Ajayan vs. The State of Kerala***,<sup>17</sup> the Supreme Court reiterated that a third party can maintain a challenge to quashing of criminal proceedings against an accused, if such third party has a *bona fide* connection with the matter. The judgment reinforced the loose nature of *locus standi* with respect to criminal proceedings.
12. The Supreme Court in ***Director, Enforcement Directorate vs. Vilelie Khamo***.<sup>18</sup> held that discharge in a predicate offence would not entitle a person to challenge summons issued to such person under Section 50 of the PMLA, since the same is in early stages in the PMLA proceedings. The Supreme Court left open the legal question of whether subsequent to such summons, such person could be arrayed as an accused under PMLA.
13. The Karnataka High Court in ***Tavaragi Rajashekhar Shiva Prasad vs. State of Karnataka***<sup>19</sup> held that when the police issue a notice summoning a person to appear (under Section 41-A of the CrPC or Section 35 of the BNSS), it is necessary for such notice to state the crime number, offence alleged, purpose of summoning and such notice should be accompanied by a copy of the FIR. Failing this requirement, the summoned person is not obliged to appear, and no coercive action can be taken for such non-appearance.
14. The Allahabad High Court in ***Parthas Textiles vs. State of U.P.***<sup>20</sup> held that when a firm is accused of a

<sup>10</sup> Criminal Appeal No. 2221-2222 of 2023 decided on September 9, 2024

<sup>11</sup> SLP (Crl.) No. 5416/2024 decided on August 28, 2024

<sup>12</sup> 2022 SCC OnLine SC 929

<sup>13</sup> Criminal Appeal No. 4011 of 2024 decided on September 26, 2024

<sup>14</sup> SLP (Crl.) No. 10846/2024 decided on October 18, 2024

<sup>15</sup> Criminal Appeal No. 4314/2024 decided on November 6, 2024

<sup>16</sup> SLP(Crl.) 13123/2024 decided on November 12, 2024

<sup>17</sup> SLP(Crl.) 4887/2024 decided on November 20, 2024

<sup>18</sup> SLP(Crl.) 15189/2024 decided on December 19, 2024

<sup>19</sup> 2024 SCC OnLine Kar 67

<sup>20</sup> 2024 SCC OnLine All 4585

criminal offence and its partner is not implicated as an accused, then under Section 63 of the CrPC, summons to such accused firm cannot be executed by way of service to such partner. However, under the expanded provision for summons in Section 65 of the BNSS, such service was valid.

15. The Delhi HC in ***Adnan Nisar vs. ED***<sup>21</sup> held that if an offence committed in a foreign state corresponds to any scheduled offence of the PMLA, and the proceeds of such crime committed in the foreign state have travelled to India, then such offence can be considered a predicate offence, and action initiated under the PMLA. Such action may include arrest, investigation and filing of complaint before the Special Court by the ED, even if the request received from the foreign state under the mutual legal assistance treaty is only to obtain evidence.
16. The Jharkhand High Court ("**Jharkhand HC**") in ***Irshad vs. State of Jharkhand***<sup>22</sup> sentenced police officers to imprisonment for violation of the Supreme Court's judgment in ***Arnesh Kumar vs. State of Bihar***<sup>23</sup> which laid down the guidelines and procedure for arrest in offences punishable by less than 7 (seven) years' imprisonment. The Jharkhand HC held that 'pre-printed check lists' listing the reasons for arrest in the affirmative are not in compliance with Section 41(1)(b) of the CrPC. The Jharkhand HC further directed compensation to be paid to the victims, who were delivery agents of an e-commerce company accused of committing fraud by asking for 'one-time passwords' (OTPs) for deliveries.
17. The Punjab & Haryana High Court in ***MGF Developments Ltd. vs. Enforcement Directorate***<sup>24</sup> held that a writ petition against a provisional attachment order (PAO) passed under Section 5 of the PMLA would not ordinarily be maintainable before the elapsing of the statutory period of 30 (thirty) days within which the ED is required to file a complaint before the Adjudicating Authority ("**AA**"), the AA being the alternative remedy provided within the PMLA.
18. The Madras High Court in ***Sterling Futures & Holidays Ltd. vs. Enforcement Directorate***<sup>25</sup> held that even properties purchased prior to the

scheduled offence may be attached under Section 5 of the PMLA if the criminal activity relating to the scheduled offence takes place outside the country. It was not necessary for the attached properties to be purchased from the proceeds of the crime, as long as the attached properties were equivalent in value.



## Enforcements Landscape

### ED attaches IPS officer's husband's assets in INR 263,00,00,000 (Indian Rupees two hundred and sixty-three crore) fraud case

A senior IPS officer's Mumbai flat and other assets were attached by the ED on July 13, 2024, in relation to INR 263,00,00,000 (Indian Rupees two hundred and sixty-three crore) income tax refund fraud case in Mumbai. The action was taken by the ED as it was investigating

<sup>21</sup> Bail Application No. 3056/2023 decided on September 17, 2024

<sup>22</sup> 2024 SCC OnLine Jhar 4246

<sup>23</sup> (2014) 8 SCC 273

<sup>24</sup> 2024 SCC OnLine P&H 11426

<sup>25</sup> 2024 SCC OnLine Mad 5372



a case under the provisions the Indian Penal Code, 1860 and the Prevention of Corruption Act, 1988.

### **The ED attaches assets worth INR 29,00,00,000 (Indian Rupees twenty-nine crore) in ponzi scheme running Pearlvine International**

In August 2024, the ED reportedly attached assets worth more than INR 29,00,00,000 (Indian Rupee twenty-nine crore) as part of its investigation under the PMLA based on an FIR registered by Meghalaya police, against Pearlvine International on allegations of operating a ponzi scheme across India. As per media sources, Pearlvine International was an unrecognised entity that claimed itself to be US-based and provided several lucrative investment options. It collected a minimum of INR 2,250 (Indian Rupees two thousand two hundred and fifty) as membership fees and ran a ponzi scheme in India during the period from 2018 till March 2023.

### **National Financial Reporting Authority fines audit firm for deficiency/audit lapses**

An auditing firm along with its auditors was found guilty of professional misconduct by the National Financial Reporting Authority ("NFRA"), which resulted in significant fines for the firm and the individuals implicated. As per media sources, NFRA has fined the firm INR 10,00,00,000 (Indian Rupees ten crore) and barred 2 (two) auditors for serious audit failures, citing major lapses and fraudulent fund transfers. A record penalty of INR 10,00,00,000 (Indian Rupees ten crore) (about USD 1,190,000 (US Dollars one million one hundred and ninety thousand) was levied, the highest ever so far.

### **ED charges Indian Foreign Service officer and spouse in investment fraud case**

In November 2024, the ED filed a chargesheet against an Indian Foreign Service officer, her husband, and his related companies on charges of money laundering with an alleged investment fraud. A total of 33 (thirty-three) FIRs were filed/registered by the Uttar Pradesh police against the accused individuals further to which

a prosecution complaint was filed by the ED under the PMLA on September 2, 2024, and cognisance was taken by a Lucknow-based special court on November 25, 2024. The chargesheet alleged that investors were lured into fraudulent schemes under the garb of high rate of returns. Reportedly, the investors were defrauded to the tune of INR 60,00,00,000 (Indian Rupees sixty crore) and the ED has provisionally attached assets worth INR 9,10,00,000 (Indian Rupees nine crore ten lakh) in connection with the case.

### **The CBI uncovers major bribery scandal at Santacruz Electronic Export Processing Zone**

In December 2024, the CBI revealed a significant bribery case involving high-ranking officials of the Santacruz Electronic Export Processing Zone ("SEEPZ"). As per media sources, the



CBI arrested 7 (seven) public servants, including a joint and a deputy development commissioner, 2 (two) assistant development commissioners, and an authorised officer of SEEPZ-Special Economic Zone, Mumbai, in a bribery case involving allegations of collusive corruption. Further, several searches were conducted at the official and residential premises of the accused across various locations in Mumbai which led to the recovery of documents pertaining to 27 (twenty-seven) immovable properties and 3 (three) luxury vehicles found at the residence of the accused joint development commissioner. Additionally, cash totalling INR 61,50,000 (Indian Rupees sixty-one lakh fifty thousand) was recovered from the premises of the accused, including INR 47,00,000 (Indian Rupees forty-seven lakh) from the residence of one assistant development commissioner.

### **ED arrests Chinese nationals behind exploitative digital loan scam**

In November 2024, the ED arrested 2 (two) Chinese nationals in connection with a money laundering case (registered under PMLA) related to digital loan

applications operating across India. The detained individuals were accused of operating illegal digital loan applications to scam individuals during the Covid-19 pandemic. The case centred around several Chinese-run digital lending applications offering short-term loans at exorbitant interest rates. These applications charged massive upfront processing fees, sometimes as high as 30% and exploited the borrowers through threats and defamatory tactics. Further, as per media sources and investigations, it was reported that transactions worth INR 3,54,00,000 (Indian Rupees three crore fifty-four lakh) in bitcoin had been transferred and were later converted into Indian currencies to fund loan disbursements.



## Cybercrimes in India

**Cyber frauds cost India INR 177,00,00,000 (Indian Rupees one hundred and seventy-seven crore) in Financial Year 2024**

India has seen a sharp increase in the financial losses resulting from cyber fraud, from INR 69,68,00,000 (Indian Rupees sixty-nine crore sixty-eight lakh) in Financial Year ("FY") 2023 to INR 177,05,00,000 (Indian Rupees one hundred and seventy-seven crore five lakh) in FY 2024. Minister of State for Finance, Pankaj Chaudhary said in a written reply to the Lok Sabha (dated August 5, 2024) that during the fiscal year 2023–24, fraud using credit and debit cards as well as online banking resulted in losses of INR 177,00,00,000 (Indian Rupees one hundred and seventy-seven crore). Further, the extent of loss due to frauds reported by banks in FY 2022 was INR 80,33,00,000 (Indian Rupees eighty crore thirty-three

lakh), in FY 2021 was INR 50,10,00,000 (Indian Rupees fifty crore ten lakh) and in FY2020 was INR 44,22,00,000 (Indian Rupees forty-four crore twenty-two lakh).<sup>26</sup>

## The CBI busts Gurugram call centre and arrests 43 (forty-three) suspected cyber criminals

On July 26, 2024, the CBI raided a call center in Gurugram and arrested 43 (forty-three) individuals for defrauding foreign nationals by posing as tech support. As part of Operation CHAKRA-III, the CBI filed charges against Innocent Technology (OPC) Private Limited and searched its DLF Cyber City office. Launched in 2022, the operation targets global financial crime networks operating through cyberspace. During the raid, the CBI seized 130 (one hundred and thirty) hard drives, 65 (sixty-five) cell phones, 5 (five) laptops, bank transaction records, call recordings, victim details, and transcripts used for identifying victims, uncovering the cybercrimes orchestrated from the call center.

## WazirX cryptocurrency platform hacked

In July 2024, WazirX cryptocurrency exchange suffered a security breach resulting in the theft of over USD 230,000,000 (US Dollars two hundred and thirty million) in cryptocurrency. The attackers exploited a vulnerability in the exchange's multi-signature wallet system. As per media sources, a North Korean cybercrime group was behind the attack, using the proceeds to finance illegal operations.

## ED seizes assets in 'Bit connect Crypto' scam

In October 2024, the ED, attached immovable properties (as proceeds of crime) having market value worth INR 47,70,00,000 (Indian Rupees forty-seven crore seventy lakh) in connection with the Bit connect cryptocurrency fraud under the provisions of PMLA. The ED initiated investigation on the basis of FIRs registered by the Crime Investigation Department (CID). Reportedly, as per the investigation done so far, promoters of the BitConnect coin (a cryptocurrency), and his associates established a worldwide network,

<sup>26</sup> Available at: <https://sansad.in/getFile/loksabhaquestions/annex/182/AU2>

082\_3chrQm.pdf?source=pqals (last accessed on October 10, 2024)



induced public to invest in various investment schemes and cheated the investors. Previously, the ED had attached assets to the tune of INR 488,00,00,000 (Indian Rupees four hundred and eighty-eight crore) (approx.) and arrested promoters accomplice on August 13, 2024.

### **The CBI unveils widespread fraud in 'Dibrugarh Investment Scam'.**

In November 2024, the CBI submitted a chargesheet against the accused individuals in the 'Dibrugarh Investment Scam' which was being investigated at the request of the State Government. The accused individuals used deceptive means, to lure investors with the promise of guaranteed 30% returns who were subsequently cheated/defrauded and their funds were misappropriated for personal gains. The accused used an online platform [www.tradingfx.live](http://www.tradingfx.live) to defraud the investors. M/s TradingFX, is an online firm involved in the Dibrugarh Investment Scam, which is part of a broader financial crime in Assam. As per media sources, the program deceived investors of INR 260,00,00,000 (Indian Rupees two hundred and sixty crore) and defrauded over 1,50,000 (one lakh fifty thousand) investors. Further, a thorough investigation was concluded within 90 (ninety) days by the CBI which revealed evidence of extensive misappropriation and led to the seizure of mobile phones, desktops, hard drives, and laptops containing details of depositors who were deceived into investing in these unregulated deposit schemes.



## **International Developments**

### **European Union Cyber Resilience Act: A landmark in digital security**

In 2024, the European Union ("EU") introduced the Cyber Resilience Act ("CRA"), a groundbreaking regulation aimed at bolstering the cybersecurity of digital devices. The new law introduces cybersecurity requirements for products with digital elements with a

view to ensuring that products, such as connected home cameras, fridges, TVs, and toys, are safe before they are placed on the market.

As per the official media sources, the EU CRA was adopted by the Council of the EU on October 10, 2024. Following this adoption, the legislative act will be signed by the presidents of the Council and of the European Parliament and thereafter be published in the EU's official journal. The new regulation will enter into force 20 (twenty) days after this publication and will apply 36 (thirty-six) months after its entry into force with some provisions to apply at an earlier stage.

### **Australia's adequate procedures guidelines comes into force**

In August 2024, Australia's attorney general's department released preliminary guidance on compliance procedures for the newly enacted 'failure to prevent' foreign bribery law, introduced through the Crimes Legislation Amendment (Combating Foreign Bribery) Bill 2023. The amendment came into effect on September 8, 2024, marking a pivotal shift in Australia's corporate liability landscape.

### **SEC charges US based Moog Inc. with violations under the Foreign Corrupt Practices Act for subsidiary's role in India**

In October, 2024 SEC announced that Moog Inc., a New York-based global manufacturer of motion controls systems for aerospace, defence, industrial and medical markets, agreed to pay a civil penalty of USD 1,100,000 (US Dollars one million one hundred thousand) to resolve the SEC's charges that it violated the recordkeeping and internal accounting controls provisions of Foreign Corrupt Practices Act arising out of bribes paid (through third parties) by its wholly owned Indian subsidiary 'Moog Motion Controls Private Limited' to Indian officials to win business.

### **SEC charges former executives of tech company 'Kubient' with fraud and lying to auditors**

The SEC brought accounting fraud charges against the former chief executive officer, chief financial officer ("CFO"), and audit committee chair of Kubient for their

roles in a scheme where they made false statements and overstated/misrepresented its revenue (amounting to USD 1,300,000 (US Dollars one million three hundred thousand) in connection with 2 (two) public stock offerings. According to the SEC's complaints, Kubient raised approximately USD 33,000,000 (US Dollars thirty-three million) in the 2 (two) stock offerings using offering materials that touted the misrepresentations. This case serves an important signal to gatekeepers like CFOs and audit committee members that the SEC and the investing public expect responsible behavior when critical issues are brought to their attention.

### U.S. Department of Justice overhauls its corporate compliance guidance

In September 2024 the U.S. Department of Justice ("DOJ") updated its Evaluation of Corporate Compliance Programs ("ECCP"). The update aims to provide a clearer framework for companies to ensure that their compliance programs are robust and aligned with DOJ expectations. Some of the key highlights/areas of focus include:

1. **Risks associated emerging technology:** ECCP includes criteria for evaluating how companies manage risks related to new technologies, such as artificial intelligence (AI). This includes assessing the impact of these technologies on compliance and implementing policies to mitigate associated risks.
2. **Protecting Whistleblowers:** The update emphasises the importance of promoting internal whistleblowing and protecting individuals who report misconduct. Companies are expected to have adequate policies and training to encourage whistleblowing and prevent retaliation. Prosecutors must assess whether companies engaged in practices that discourage whistleblowers or fail to train employees on reporting and whistleblower laws.
3. **Access to data for compliance functions:** The DOJ stresses that effective compliance programs must be well-resourced and have access to necessary data and technology. This includes leveraging data analytics to enhance the efficiency/effectiveness of compliance programs and to proactively monitor risks, ensuring the quality and accuracy of the data involved.
4. **Including lessons learned:** Compliance programs should evolve based on lessons learned from both the company's own experiences and issues faced by other companies in similar industries.
5. **Post-transaction compliance integration:** The update highlights the importance of involving compliance functions in mergers and acquisitions, particularly in post-transaction integration.



### Danske Bank pays USD 7,000,000 (US Dollars seven million) to settle Estonia money-laundering with French authorities

Danske Bank cooperated with the French authorities and reached a resolution with the French National Financial Prosecutor to settle the ongoing money laundering investigation by agreeing to pay EUR 6,330,000 (Euro six million three hundred and thirty thousand) (approx. USD 7,000,000 (US Dollars seven million)).

The bank became the subject of several investigations after an internal probe in September 2018 uncovered about EUR 200 billion (Euro two hundred billion) of payments made through its now-shuttered Estonian branch between 2007 to 2014, with many payments appearing suspicious. Subsequently, the French authorities had commenced a formal investigation in 2019. Previously, in December 2022, Danske Bank pled guilty and agreed to a USD 2 billion (US Dollars two billion) fine in a case from the DOJ.

### **Financial Conduct Authority fines auditing firm for failing to report fraud**

In August 2024, an auditing firm was fined USD 19,500,000 (US Dollars nineteen million five hundred thousand) by the Financial Conduct Authority (“FCA”) for failing to report suspicions of fraud taking place at investment firm at London Capital and Finance Plc. The fine marks the first time the FCA has penalised an auditing firm.

### **U.S. Securities and Exchange Commission charges John Deere for violation under Foreign Corrupt Practices Act violations in bribery scheme**

John Deere, agreed to pay nearly USD 10,000,000 (US Dollars ten million) to resolve U.S. Securities and

Exchange Commission (“SEC”) charges that it violated the Foreign Corrupt Practices Act (“FCPA”) arising out of a bribes paid by its wholly owned subsidiary in Thailand. The Thai subsidiary had bribed Thai government officials (including the Royal Thai Air Force, the Department of Highways, and the Department of Rural Roads) to win multiple government contracts and bribed employees of a private company to win sales to that company. The improper payments were inaccurately recorded as legitimate expenses in Deere’s books and record and violated recordkeeping and internal accounting controls provisions of the FCPA.





## **Anti-Corruption, White Collar Crimes & Investigations (AWCCI) Practice**

JSA has a well-established and extensive White-Collar Crimes and Investigations practice which assists clients in dealing with diverse issues, matters and investigations arising in relation to fraud, white collar crimes and violation of internal codes of conduct. We represent and advise domestic and multinationals corporates in India and across the globe. The AWCCI practice also complements our other practice areas which provide legal advice to corporates on diverse matters, including representation before other regulators such as the Reserve Bank of India (RBI), the Ministry of Corporate Affairs (MCA), the Department of Industry Policy and Promotion (DIPP) and the Securities & Exchange Board of India (SEBI) and the Directorate of Enforcement (ED) under the (Indian) Prevention of Money Laundering Act, 2002 (PMLA).

Our white-collar crimes litigation team routinely represent clients from across industries and sectors in different fora including all courts, tribunals and judicial bodies in India, along with arbitrations and other forms of dispute resolution.

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Partner



**Vibhor Jain**  
Senior Associate



**Archit Sehgal**  
Associate



18 Practices and  
41 Ranked Lawyers

7 Ranked Practices,  
21 Ranked Lawyers

12 Practices and 50 Ranked  
Lawyers

14 Practices and  
12 Ranked Lawyers



20 Practices and  
22 Ranked Lawyers

Ranked Among Top 5 Law Firms in  
India for ESG Practice

Recognised in World's 100 best  
competition practices of 2025



Among Top 7 Best Overall  
Law Firms in India and  
11 Ranked Practices

11 winning Deals in  
IBLJ Deals of the Year

11 A List Lawyers in  
IBLJ A-List - 2024

Asia M&A Ranking 2024 – Tier 1

Employer of Choice 2024

Energy and Resources Law Firm of  
the Year 2024

Litigation Law Firm  
of the Year 2024

Innovative Technologies Law Firm of  
the Year 2023

Banking & Financial Services  
Law Firm of the Year 2022

**Ranked #1**  
**The Vahura Best Law Firms to**  
**Work**  
**Report, 2022**

Top 10 Best Law Firms for Women in  
2022



7 Practices and  
3 Ranked Lawyers

For more details, please contact [km@jsalaw.com](mailto:km@jsalaw.com)

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