

## Enforcement Directorate (ED) - UPSC Economy Notes

The Enforcement Directorate (ED) is a law enforcement agency of the Government of India that is responsible for enforcing Economic Laws and fighting Economic Crime. Students preparing for the [IAS Exam](#) or any other Government Exam must be aware of this topic.

The Enforcement Directorate (ED) is a topic that can be related to Indian Economy of General Studies Paper 3 in the [UPSC Syllabus](#). Civil services aspirants can score more if they're aware of the various finance-related agencies under the Government of India. Important government bodies and agencies could be asked about in the [UPSC Prelims](#).

### What is Enforcement Directorate (ED)?

The Directorate General of Economic Enforcement (Enforcement Directorate) is a law enforcement and economic intelligence agency responsible for enforcing economic laws and fighting economic crime in India.

- It was formed with the purpose of handling Exchange Control Law violations under the Foreign Exchange Regulation Act, 1947.
- Initially established under the Department of Economic Affairs in 1956 as an 'Enforcement Unit', it was later shifted to the Department of Revenue for administration in 1960.
- It was renamed as the Enforcement Directorate (ED) in 1957.
- Now, the Enforcement Directorate (ED) is administered by the Department of Revenue under the Ministry of Finance.
- The ED has its headquarters in New Delhi and has many regional offices all over the country.
- It is headed by the Director of Enforcement, who is an IRS officer (Indian Revenue Service).

### Functions of Enforcement Directorate (ED)

The functions of the Enforcement Directorate (ED) are listed in the table below:

Sr No	Functions of Enforcement Directorate (ED)
1	Investigating violations of <a href="#">Foreign Exchange Management Act (FEMA)</a> laws and provisions. <ul style="list-style-type: none"> <li>• Designated ED Officials adjudicate FEMA violations.</li> <li>• Penalties up to three times the sum involved can be imposed.</li> </ul>
2	Investigating offences of Prevention of Money Laundering Act, 2002 (PMLA) laws and provisions. <ul style="list-style-type: none"> <li>• ED has the power to attach the assets of the culprits found guilty of violation of FEMA. "Attachment of the assets" means prohibition of transfer, conversion, disposition or movement of property by an order issued under Chapter III of the Money Laundering Act.</li> </ul>
3	Processing cases of fugitive/s from India under the Fugitive Economic Offenders Act, 2018. <ul style="list-style-type: none"> <li>• Offenders choose to stay outside the country and its jurisdiction to protect themselves.</li> <li>• This Act allows Economic Offenders from evading the law and preserves the sanctity of the justice system in the country.</li> </ul>

4	Adjudicating show cause notices issued under the repealed FERA (Foreign Exchange Regulation Act, 1973).
5	Sponsoring cases of Preventive Detention under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 ( <b>COFEPOSA</b> ) with respect to FEMA violations.
6	Rendering cooperation to foreign countries in matters related to money laundering and restoration of assets under the PMLA provisions.

