



RESERVE BANK OF INDIA  
Foreign Exchange Department  
Central Office  
Mumbai - 400 001

**RBI/2008-09/405**

**A. P. (DIR Series) Circular No. 57**

**A. P. (FL/RL Series) Circular No. 04**

**March 09, 2009**

To,

All Authorised Persons in Foreign Exchange

Madam / Sir,

**Memorandum of Instructions governing money changing activities**

Attention of Authorised Persons is invited to the Memorandum of Instructions to Authorised Money Changers (AMCs), issued vide A. P. (DIR Series) Circular No. 43 (A.P. (FL Series) Circular No. 1) dated November 12, 2002 and other relevant instructions issued from time to time, Anti-Money Laundering Guidelines (AML Guidelines) for Authorised Money Changers issued vide A. P. (DIR Series) Circular No. 39 (A.P. (FL Series) Circular No. 02) dated June 26, 2006.

2. In view of the growth in money changing activities and issuance of several instructions including AML Guidelines on money changing activities, there was a need to rationalise the existing instructions pertaining to money changing activities. Accordingly, the instructions governing money changing activities issued to AMCs, duly reviewed are enclosed (Annex).

3. Authorised persons may bring the contents of this circular to the notice of their constituents concerned.

4. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and non-compliance with the guidelines would attract penal provisions of Section 11(3) of the Act *ibid*.

Yours faithfully,

-sd/-

**(Salim Gangadharan)**  
**Chief General Manager-in-Charge**

<b>Annex I</b>	<p>A – Guidelines for Licencing and Other Approvals for AMCs</p> <p>B – Guidelines for Grant of Licence for Additional Branches</p> <p>C – Guidelines for appointment of Agents / Franchisees by AD Category I / AD Category II / FFMCs</p> <p>D – Guidelines for Renewal of licences of existing FFMCs</p> <p>E – Operational Instructions</p> <p>F – AML Guidelines</p> <p>G – Revocation of Licence</p> <p>The revised instructions would be applicable, mutatis mutandis, to Authorised Dealers Category – II (AD Category – II), unless specific instructions to the contrary have been issued. Similarly, other relevant provisions, including the AML Guidelines, would be applicable to both AD Category - I and AD Category - II in respect of their money changing activities.</p>
<b>Annex II</b>	Application form for FFMC licence under section 10(1) of FEMA, 1999
<b>Annex III</b>	'Fit and proper' criteria for directors of FFMCs / non-bank ADs Category - II
<b>Annex IV</b>	Form RMC-F
<b>Annex V</b>	FLM 1
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<b>Annex XIV</b>	Statement of Purchase transactions of USD 10,000 and above
<b>Annex XV</b>	Statement showing summation of Foreign Currency Account opened in India out of export proceeds of Foreign Currency Notes/ encashed Travellers' Cheques
<b>Annex XVI</b>	Statement of the amount of foreign currency written off during the financial year

[Annex to A. P. (DIR Series) Circular No. 57 dated March 09, 2009]

**(A) Guidelines for Licencing and other Approvals for Authorised Money Changers (AMCs)**

**1. Introduction**

Authorised Money Changers (AMCs) are entities authorised by the Reserve Bank under Section 10 of the Foreign Exchange Management Act, 1999. An AMC may either be a Full Fledged Money Changer (FFMC) or a Restricted Money Changer (RMC)\*. In addition to Authorised Dealers Category - I (AD Category – I) and Authorised Dealers Category - II (AD Category – II), Full Fledged Money Changers (FFMCs) are authorised by the Reserve Bank to deal in foreign exchange for specified purposes, to widen the access of foreign exchange facilities to residents and tourists while ensuring efficient customer service through competition. FFMCs are authorised to purchase foreign exchange from residents and non-residents visiting India and to sell foreign exchange for certain approved purposes. AD Category – I / AD Category – II / FFMCs may appoint franchisees to undertake purchase of foreign currency. No person shall carry on or advertise that he carries on money changing business unless he is in possession of a valid money changer's licence issued by the Reserve Bank. Any person found undertaking money changing business without a valid licence is liable to be penalised under the Act *ibid*.

***\* Note :- The Reserve Bank has since discontinued the Scheme of Restricted Money Changers (RMCs). However, certain RMCs functioning within 10 km from the borders of Pakistan and Bangladesh have been specifically permitted by the Reserve Bank for the time being to operate.***

## **2. Guidelines for Issuance of FFMC Licence :-**

The guidelines for issue of new and renewal of FFMC licence, branch licencing, approval for appointment of agents / franchisees, AML Guidelines for Authorised Persons are given below. These guidelines are indicative and the Reserve Bank may take into account other relevant factors like increase in outreach, location, etc. while considering applications for licences.

### **(i). Entry Norms**

- (i) The applicant has to be a company registered under the Companies Act, 1956.
- (ii) The minimum Net Owned Funds (NOF) required for consideration as FFMC are as follows:

<b>Category</b>	<b>Minimum Net Owned Funds</b>
Single branch FFMC	Rs. 25 lakh
Multiple branch FFMC	Rs. 50 lakh

**Note :- The Net Owned Funds of applicants, other than banks, should be calculated as per the following.**

**(i) Owned Funds :- (Paid-up Equity Capital + Free reserves + Credit balance in P & L A/c) minus (Accumulated balance of loss, Deferred revenue expenditure and Other intangible assets)**

**(ii) Net Owned Funds :- Owned funds minus the amount of investments in shares of its subsidiaries, companies in the same group, all (other) non-banking financial companies as also the book value of debentures, bonds, outstanding loans and advances made to and deposits with its subsidiaries and companies in the same group in excess of 10 per cent of the Owned funds.**

### **(ii) Documentation**

Application in the form, as at **Annex - II**, should be submitted to the respective Regional Office of the Foreign Exchange Department of the Reserve Bank under

whose jurisdiction the registered office of the applicant falls, along with the following documents:

- (a) Copy each of the Certificate of Incorporation and Certificate of Commencement of Business of the company.
- (b) Memorandum and Articles of Association containing a provision for undertaking money changing business or an appropriate amendment to this effect filed with the Company Law Board.
- (c) Copy of the latest audited accounts with a certificate from the Statutory Auditors certifying the Net Owned Funds as on the date of application. Copies of the audited Balance Sheet and Profit & Loss Account of the company for the last three years, wherever applicable.
- (d) Confidential Report from the applicant's banker in a sealed cover.
- (e) A declaration to the effect that no proceedings have been initiated by / pending with the Directorate of Enforcement (DoE) / Directorate of Revenue Intelligence (DRI) or any other law enforcing authorities against the applicant company and its directors and that no criminal cases are initiated / pending against the applicant company and its directors.
- (f) A declaration to the effect that proper policy framework on "Know Your Customer" and Anti Money Laundering measures, in accordance with the guidelines issued vide A. P.(DIR Series) Circular No. 18 / A.P.(FL Series) Circular No. 1 dated December 2, 2005, A.P. (DIR Series) Circular No. 39 / A.P. (FL Series) Circular No. 2 dated June 26, 2006 and A.P. (DIR Series) Circular No. 14 / A.P.(FL Series) Circular No. 1 dated October 17, 2007, as amended from time to time, will be put in place on obtaining the approval of the Reserve Bank and before commencement of operations.
- (g) Details of sister / associated concerns operating in the financial sector, like NBFCs, etc.
- (h) A certified copy of the board resolution for undertaking money changing business.

**(iii) Basis for Approval**

- (i) Since several FFMCs are already functioning, fresh licences will be issued on a selective basis to those who comply with all the licencing

requirements, facilitate an increase in outreach, have locational advantage, like being located in border areas, tourist centers, etc.

(ii) 'Fit and proper' criteria for the applicant FFMCs #

If any DoE / DRI case or any other case by any other law enforcing authorities, is initiated / pending against any company / its directors, the company will not be considered as 'fit and proper' and its application will not be considered for licencing as FFMC.

**(# Also applicable to non-bank AD Category - II)**

(iii) 'Fit and proper' criteria for directors of FFMCs \*

Please see **Annex - III** for the details in this regard.

**(\* Also applicable to non-bank AD Category - II)**

(iv) Clearance by the Empowered Committee

The request for issuance of FFMC licence would be considered by the Regional Office concerned of the Reserve Bank on the basis of the clearance by an Empowered Committee, set up for the purpose.

(v) Reserve Bank's decision in the matter of granting approval or otherwise will be final and binding.

(vi) On obtaining approval from the Reserve Bank, a copy of the registration under Shops & Establishment Act or any other documentary evidence such as rent receipt, copy of lease agreement, etc. should be submitted to the Regional Office concerned of the Reserve Bank before commencement of the business.

(vii) The FFMC should commence its operations within a period of **six months** from the date of issuance of licence and inform the Regional Office concerned of the Reserve Bank.

(viii) New FFMCs should carry out their activities as per the instructions specified in paragraphs (E) and (F) below and other instructions issued by the Reserve Bank from time to time.

**[Note:- No fresh authorization will be issued to Urban Cooperative Banks (UCBs) to function as FFMCs].**

**(B) Guidelines for Grant of Authorisation for Additional Branches :-**

1. No FFMC shall carry on money changing business at any additional place of business other than its permanent place of business except with the prior approval of the Reserve Bank. An FFMC which intends to commence money changing business at any additional place of business shall apply in writing to the respective Regional Office of the Foreign Exchange Department under whose jurisdiction the registered office of the applicant falls and the Reserve Bank may approve the additional place of business subject to such conditions as it may think fit.

2. Applications for additional locations (places of business) should be accompanied by the following:-

- (a) Copy of the latest audited accounts with a certificate from the Statutory Auditors regarding the position of Net Owned Funds as on the date of application.
- (b) Confidential Report from the applicant's banker in a sealed cover.
- (c) A declaration to the effect that no proceedings have been initiated / pending by the Directorate of Enforcement (DoE) / Directorate of Revenue Intelligence (DRI) or any other law enforcing authorities against the applicant and its directors and that no criminal cases are initiated / pending against the applicant and its directors. No new branch licence will be issued to any FFMC, against whom any major DoE / DRI case is pending. In minor DoE / DRI pending cases, a decision will be taken by the Reserve Bank on a case by case basis. The categorization of pending DoE / DRI cases as major / minor will be at the discretion of the Reserve Bank and the decision of the Reserve Bank will be final and binding. Where any DoE / DRI case is adjudicated and penalty is imposed, a view will be taken, on the basis of the nature of the offence, provided no fresh DoE / DRI case is instituted.
- (d) A copy of the KYC / AML policy framework of the company.

- (e) Brief write-up on the internal control systems, including internal and external audit.

3. With an objective to have proper distribution of branches of FFMCs in metros and non-metros, the applications for additional offices in metropolitan cities will be considered if the total offices (including proposed offices) of the applicant are in the ratio 1:1 (i.e. the applicant has one non-metropolitan office for every office in a metro). For this purpose, in addition to Mumbai, New Delhi, Chennai and Kolkata, three more cities viz., Bangalore, Hyderabad and Ahmedabad are considered as metropolitan centers. Preference will be given to applications for branches in remote areas of tourist attraction.

4. A copy of the registration under Shops & Establishment Act or any other documentary evidence such as rent receipt, copy of lease agreement, etc. should be submitted to the Regional Office concerned of the Reserve Bank before commencement of business at an additional branch.

5. The FFMC should commence operations of its additional branch within a period of **six months** from the date of issuance of licence and inform the Regional Office concerned of the Reserve Bank.

**(C) Guidelines for appointment of Agents / Franchisees by Authorized Dealers Category - I, Authorized Dealers Category - II and FFMCs :-**

1. Under the Scheme, the Reserve Bank permits ADs Category - I, ADs Category - II and FFMCs to enter into agency / franchisee agreements at their option for the purpose of carrying on Restricted Money Changing business i.e. conversion of foreign currency notes, coins or travelers' cheques into Rupees.

**2. Franchisee**

A franchisee can be any entity which has a place of business and a minimum Net Owned Funds of Rs. 10 lakh. Franchisees can undertake only restricted money changing business.



### **3. Agency / Franchisee Agreement**

Franchisers are free to decide on the tenor of the arrangement as also the commission or fee through mutual agreement with the franchisee.

The Agency / Franchisee agreement to be entered into by an AD Category - I/ AD Category – II / FFMC should, however, include the following salient features:

(a) The display of exchange rates by the franchisee. Exchange Rate for conversion of foreign currency into Rupees should be the same or close to the daily exchange rate charged by the AD Category – I / AD Category - II / FFMC at its branches.

(b) The foreign currency purchased by the franchisee should be surrendered to the franchiser or any other authorized persons, as may be agreed upon, within 7 working days from the date of purchase.

(c) The maintenance of proper record of transactions by the franchisee.

(d) The on-site inspection of the franchisee by the franchiser at least once a year.

### **3. Procedure for application**

An AD Category - I/ AD Category - II/ FFMC should apply to the respective Regional Office of the Reserve Bank, in Form RMC-F (**Annex-IV**) for appointment of agents / franchisees under this Scheme. The application should be accompanied by a declaration that while selecting the franchisees adequate due diligence has been carried out and that such entities have undertaken to comply with all the provisions of the franchising agreement and prevailing Reserve Bank regulations regarding money changing. Approval would be granted by the Reserve Bank for the first franchisee arrangement. Thereafter, as and when new agency / franchisee agreements are entered into, these would have to be reported to the Reserve Bank in Form RMC-F (**Annex-IV**) on a post-facto basis, along with similar declaration as indicated above.

#### 4. Due Diligence of Agents / Franchisees

The ADs Category – I / ADs Category – II / FFMCs should undertake the following minimum checks while conducting the due diligence of the agents / franchisees

- existing business activities of the agent / franchisee / its position in the area.
- minimum Net Owned Funds of the agent / franchisee.
- Shop & Establishment / other applicable municipal certification in favour of the agent/ franchisee.
- verification of physical existence of location of the agent / franchisee, where restricted money changing activities will be conducted.
- conduct certificate of the agent / franchisee from the local police authorities.
- declaration regarding past criminal case, if any, cases initiated / pending against the agent / franchisee or its directors / partners by any law enforcing agency, if any.
- PAN Card of the agent / franchisee and its directors / partners.
- photographs of the directors / partners and the key persons of agent / franchisee.

The above checks should be done on a regular basis, at least once in a year. The AD Category – I / AD Category – II / FFMCs should obtain from the agents / franchisees proper documentary evidence confirming the location of the agents / franchisees in addition to personal visits to the site. The AD Category – I / AD Category – II / FFMCs should also obtain a Chartered Accountant's certificate confirming the maintenance of the Net Owned Funds of the agent / franchisee, i.e., Rs. 10 lakh on an ongoing basis.

***Note:-The AD Category – I / AD Category – II / FFMCs are advised to discontinue agreements with agents / franchisees who do not meet the revised criteria within three months from the date of issue of this Circular.***

#### 5. Selection of Centers

Franchisers are free to select centers for operationalising the Scheme.

## 6. Training

Franchisers are expected to impart training to the agents / franchisees as regards operations and maintenance of records.

## 7. Reporting, Audit and Inspection

The franchisers i.e. the ADs Category – I / ADs Category – II / FFMCs are expected to put in place adequate arrangements for reporting of transactions by the franchisees to the franchisers on a regular basis (at least monthly). Regular spot audits of all locations of franchisees, at least once in six months, should be conducted by ADs Category – I / ADs Category – II / FFMCs. Such audits should involve a dedicated team and '**mystery customer**' (**Individuals acting as potential customers to experience and measure the extent up to which people and process perform as they should**) concept should be used to test the compliance level of the franchisees. A system of annual inspection of the books of the franchisees should also be put in place. The purpose of such inspection is to ensure that the money changing business is being carried out by the franchisees in conformity with the terms of the agreement and prevailing Reserve Bank guidelines and that necessary records are being maintained by the franchisees.

## 8. Anti Money Laundering / Know Your Customer Guidelines

Franchisees are required to strictly adhere to the AML / KYC guidelines, as applicable to ADs Category – I / ADs Category – II / FFMCs.

**Note:- No licence for appointment of agents / franchisees will be issued to any FFMC / non-bank AD Category - II, against whom any major DoE / DRI / CBI / Police case is pending. In case where any FFMC / non-bank AD Category - II has received one-time approval for appointing agents / franchisees and subsequent to the date of approval, any DoE / DRI / CBI / Police case is filed, the FFMC / non-bank AD Category - II should not appoint any further agents / franchisees and bring the matter to the**

**notice of the Reserve Bank immediately. A decision will be taken by the Reserve Bank regarding allowing the FFMC / non-bank AD Category - II to appoint agents / franchisees.**

**(D) Guidelines for Renewal of licences of existing FFMCs :**

1. The applicant should be a company registered under the Companies Act, 1956 having registered / head office within the area of jurisdiction of the office.
2. The Net Owned Funds required are as follows:

<b>Category</b>	<b>Minimum Net Owned Funds</b>
Single branch FFMC	Rs. 25 lakh
Multiple branch FFMC	Rs. 50 lakh

3. Applications for renewal should be submitted along with the documents, mentioned below.
  - (a) Copy of the latest audited accounts with a certificate from the Statutory Auditors regarding the position of Net Owned Funds as on date.
  - (b) Confidential Report from the applicant's banker in a sealed cover.
  - (c) A declaration to the effect that no proceedings have been initiated by/ pending with the Directorate of Enforcement / Directorate of Revenue Intelligence or any other law enforcing authorities against the applicant company and its directors and that no criminal cases are initiated/ pending against the applicant company and its directors.
  - (d) A copy of the KYC / AML policy framework existing in the company.

**Note :- An application for the renewal of a money-changer's licence shall be made not later than one month, or such other period as the Reserve Bank may prescribe, before the expiry of the licence. Where a person submits an application for the renewal of his money changer's licence, the licence shall continue in force until the date on which the licence is renewed or the application is rejected, as the case may be. No application for renewal of a money-changer's licence shall be made after the expiry of the licence.**

## **(E) Operational Instructions**

### **1. Bringing in and taking out of Foreign Exchange**

(i) Foreign exchange in any form can be brought into India freely without limit provided it is declared on the Currency Declaration Form (CDF) on arrival to the Custom Authorities. When foreign exchange brought in the form of currency notes or travellers' cheques does not exceed US\$ 10,000/- or its equivalent and / or the value of foreign currency notes does not exceed US\$ 5000/- or its equivalent, declaration thereof on CDF is not insisted upon.

(ii) Taking out foreign exchange in any form, other than foreign exchange obtained from an authorized dealer or a money changer is prohibited unless it is covered by a general or special permission of the Reserve Bank. Non-residents, however, have general permission to take out an amount not exceeding the amount originally brought in by them subject to compliance with the provisions of sub-para (i) above.

### **2. Purchases of Foreign Currency from Public**

(i) Authorized Money Changers (AMCs) / franchisees may freely purchase foreign currency notes, coins and travellers cheques from residents as well as non-residents. Where the foreign currency was brought in by declaring on form CDF, the tenderer should be asked to produce the same. The AMC should invariably insist on production of declaration in CDF.

(ii) AMCs may sell Indian Rupees to foreign tourists / visitors against International Credit Cards and take prompt steps to obtain reimbursement through normal banking channels.

### **3. Encashment Certificate**

(a) AMCs may issue certificate of encashment when asked for in cases of purchases from the public. These certificates bearing authorized signatures should be issued on the letter head of the money changer and proper record maintained.

(b) In cases where encashment certificate is not issued, attention of the customers should be drawn to the fact that unspent local currency held by non-residents will be

allowed to be converted into foreign currency only against production of a valid encashment certificate.

#### **4. Purchases from other AMCs and Authorized Dealers**

AMCs may purchase from other AMCs and ADs any foreign currency notes, coins and encashed travellers' cheques tendered in the normal course of business. Rupee equivalent of the amount of foreign exchange purchased should be paid only by way of crossed account payee cheque / Demand Draft / Bankers' cheque / Pay order.

#### **5. Sale of foreign exchange**

##### **(I) Private Visits**

AMCs may sell foreign exchange up to the prescribed ceiling (currently US \$ 10,000) specified in Schedule III to the Foreign Exchange Management (Current Account Transaction) Rules, 2000 during a financial year to persons resident in India for undertaking one or more private visits to any country abroad (except Nepal and Bhutan). Exchange for such private visits will be available on a self-declaration basis to the traveler regarding the amount of foreign exchange availed during a financial year. Foreign nationals permanently resident in India are also eligible to avail of this quota for private visits provided the applicant is not availing of facilities for remittance of his salary, savings, etc. abroad in terms of extant regulations.

##### **(II) Business visits**

AMCs may sell foreign exchange to persons resident in India for undertaking business travel or for attending a conference or specialized training or for maintenance expenses of a patient going abroad for medical treatment or check up abroad or for accompanying as attendant to a patient going abroad for medical treatment / check up up to the limits (currently US \$ 25,000 per visit) specified in Schedule III to FEMA (Current Account Transactions) Rules, 2000.

## Conditions

- i. The Reserve Bank will not generally, prescribe the documents which should be verified by the AMC's while releasing foreign exchange. In this connection, attention of AMC's is drawn to sub-section (5) of Section 10 of FEMA, 1999.
- ii. In case of issue of travellers' cheques, the traveler should sign the cheques in the presence of an authorized official and the purchaser's acknowledgement for receipt of the travellers' cheques should be held on record.
- iii. AMC's may release foreign exchange for travel purposes on the basis of a declaration given by the traveler regarding the amount of foreign exchange availed of during the financial year.
- iv. AMC's may accept payment in cash up to Rs. 50000/- (Rupees fifty thousand only) against sale of foreign exchange for travel abroad (for private visit or for any other purpose). Wherever the sale of foreign exchange exceeds the amount equivalent to Rs. 50000/-, the payment must be received only by a crossed cheque drawn on the applicant's bank account or crossed cheque drawn on the bank account of the firm / company sponsoring the visit of the applicant or Banker's cheque / Pay Order / Demand Draft. For this purpose, where the rupee equivalent of foreign exchange drawn exceeds Rs. 50000/- either for any single drawal or more than one drawal reckoned together for a single journey visit, it should be paid by cheque / Banker's cheque / Pay Order / Demand Draft . In addition to the payment by Rupees/ through crossed cheque / Banker's cheque / Pay order/ Demand draft, AMC's may also accept the payments made by the traveler through debit cards / credit cards / prepaid cards for travel abroad (for private visit or for any other purpose) provided- (i) KYC / AML guidelines are complied with, (ii) sale of foreign currency / issue of foreign currency travellers' cheques is within the limits (credit / prepaid cards) prescribed by the bank, (iii) the purchaser of foreign currency / foreign currency travellers' cheque and the credit / debit / prepaid card holder is one and the same person.
- v. The sale of foreign currency notes and coins within the overall entitlement of foreign exchange, should be restricted to the limits prescribed by the Reserve Bank from time to time for the country of visit of the traveller.

## **6. Sales against Reconversion of Indian Currency**

AMCs may convert into foreign currency, unspent Indian currency held by non-residents at the time of their departure from India, provided a valid Encashment Certificate is produced.

**Note (1)** : AMCs may convert at their discretion, unspent Indian currency up to Rs.10,000 in the possession of non-residents if, for bonafide reasons, the person is unable to produce an Encashment Certificate after ensuring that the departure is scheduled to take place within the following seven days.

**Note (2)** : ADs Category - I and ADs Category - II may provide facility for reconversion of Indian Rupees to the extent of Rs. 50,000/- to foreign tourists (not NRIs) against ATM Receipts based on the following documents.

- Valid Passport and VISA
- Ticket confirmed for departure within 7 days.
- Original ATM slip (to be verified with the original debit/ credit card).

## **7. Cash Memo**

AMCs may issue a cash memo, if asked for, on official letterhead to travellers to whom foreign currency is sold by them. The cash memo may be required for production to emigration authorities while leaving the country.

## **8. Rates of Exchange**

AMCs may put through transactions relating to foreign currency notes and travellers' cheques at rates of exchange determined by market conditions.

## **9. Display of Exchange Rate Chart**

AMCs should display at a prominent place in or near the public counter, a chart indicating the rates for purchase/sale of foreign currency notes and travellers' cheques.



## **10. Foreign Currency Balances**

- i. AMCs should keep balances in foreign currencies at reasonable level and avoid build up of idle balances with a view to speculating on currency movements.
- ii. RMCs / franchisees should surrender foreign currency notes, coins and travellers' cheques purchased to an AD or to an FFMC within seven working days.
- iii. The transactions between authorized dealers, FFMCs and RMCs should, however, be settled by way of account payee crossed cheques / demand drafts. Under no circumstances should settlement be made in cash.

## **11. Replenishment of Foreign Currency Balances**

(i) AMCs may obtain their normal business requirements of foreign currency notes from other AMCs (including RMCs) / authorized dealers in foreign exchange in India, against payment in rupees made by way of account payee crossed cheque / Demand Draft.

(ii) Where AMCs are unable to replenish their stock in this manner, they may make an application to the Forex Markets Division, Foreign Exchange Department, Central Office, Reserve Bank of India, Mumbai through an AD Category - I bank for permission to import foreign currency into India. The import should take place through the designated AD Category - I through whom the application is made.

## **12. Export / Disposal of surplus Foreign Currency Notes / Travellers' Cheques**

AMCs may export surplus foreign currency notes / encashed travellers' cheques to an overseas bank through designated Authorized Dealer Category - I bank in foreign exchange for realization of their value through the latter. FFMCs may also export surplus foreign currency to private money changers abroad subject to the condition that either the realizable value is credited in advance to the AD Category – I bank's nostro account or a guarantee is issued by an international bank of repute covering the full value of the foreign currency notes / coins to be exported.

### **13. Write-off of fake foreign currency notes**

In the event of foreign currency notes purchased being found fake/forged subsequently, AMCs may write-off up to US \$ 2000 per financial year after approval of their Top Management after exhausting all available options for recovery of the amount. Any write-off in excess of the above amount, would require the approval of the Regional Office concerned of the Foreign Exchange Department of the Reserve Bank.

### **14. Registers and Books of Accounts of Money-changing Business**

- i. AMCs shall maintain the following Registers in respect of their money-changing transactions :
  - (a) Daily Summary and Balance Book (Foreign currency notes / coins) in form **FLM 1 (Annex-V)**.
  - (b) Daily Summary and Balance Book (Travellers' cheques ) in form **FLM 2 (Annex-VI)**.
  - (c) Register of purchases of foreign currencies from the public in form **FLM 3 (Annex-VII)**.
  - (d) Register of purchases of foreign currency notes / coins from authorized dealers and authorized money changers in form **FLM 4 (Annex-VIII)**.
  - (e) Register of sales of foreign currency notes / coins and foreign currency travellers' cheques to the public in form **FLM 5 (Annex-IX)**.
  - (f) Register of sales of foreign currency notes / coins to authorized dealers / Full Fledged Money Changers / overseas banks in form **FLM 6 (Annex-X)**.
  - (g) Register of travellers' cheques surrendered to authorized dealers / authorized money changers / exported in form **FLM 7 (Annex-XI)**.
- ii. All registers and books should be kept up-to-date, cross-checked and balances verified daily.
- iii. Transactions not pertaining to money changing business of the AMC should not be mixed up with money changing transactions. In other words, the

registers and books of account should show clearly the trail of transactions pertaining to money changing business.

- iv. Separate registers should be maintained for each establishment, if the AMC maintains more than one place of business.

**Note :- Inter-branch transfer of foreign currencies should be accounted as stock transfer and not as sales.**

## **15. Submission of Statements to the Reserve Bank**

- i. AMCs should submit to the office of the Reserve Bank which has issued the license/unified license, a monthly consolidated statement for all its offices in respect of sale and purchase of foreign currency notes in form **FLM 8 (Annex-XII)** so as to reach not later than the 10<sup>th</sup> of the succeeding month.
- ii. Similarly RMCs should submit to the office of Reserve Bank under whose jurisdiction they are functioning, a quarterly statement in form **RLM 3 (Annex-XIII)**. The statement duly certified by the AD Category –I / AD Category - II/ FFMC should reach the Reserve Bank not later than the 10th day of the month following the quarter. In case the purchased foreign currencies are surrendered to different authorized dealers / FFMCs, separate quarterly statements should be prepared to facilitate independent certification by each such authorized dealer / FFMC.
- iii. AMCs should submit to the Regional Office concerned of the Foreign Exchange Department, Reserve Bank, a monthly statement indicating details of receipt / purchase of US \$ 10,000 (or its equivalent) and above per transactions in the enclosed format as at **Annex-XIV**, within 10 days of the close of the month. FFMCs / ADs Category - II should include transactions of their franchisees in their statement.
- iv. AMCs should submit a quarterly statement regarding Foreign Currency Account/s maintained in India in their names with AD Category - I to the Regional Office concerned of the Foreign Exchange Department, Reserve Bank as per the format in **Annex-XV**.
- v. An Annual Statement should be submitted by all the AMCs to the respective Regional Offices of the Foreign Exchange Department, Reserve Bank which

have issued the licenses within one month of the financial year-end, giving the details of the amount written off during the financial year, as per the format as at **Annex-XVI**.

## **16. Inspection of Transactions of AMCs**

Section 12(1) of Foreign Exchange Management Act 1999, empowers any officer of Reserve Bank specially authorized in this behalf to inspect the books and accounts and other documents of AMCs. The AMCs should provide all assistance and co-operation to Inspecting Officers in carrying out their inspection. Failure to produce any books of account or other document or to furnish any statement or information or to answer any question relating to the money changing transactions to the Inspecting Officers, shall be deemed to be a contravention of the provisions of the Act *ibid*.

## **17. Concurrent Audit**

(i) AMCs should put in place a system of Concurrent Audit of the transactions undertaken by them.

(ii) All single branch AMCs having a turnover of more than US \$ 100,000 or equivalent per month and all multiple branch AMCs should institute a system of monthly audit. Single branch AMCs having turnover of less than USD 100,000 or its equivalent may institute a system of quarterly audit.

(iii) Appointment / selection of concurrent auditors is left to the discretion of the AMCs. The concurrent auditors should check all the transactions of the AMCs and ensure that all the instructions issued by the Reserve Bank from time to time have been complied with. The Statutory Auditors are required to certify that the Concurrent Audit and the internal control systems are working satisfactorily.

## **18. Temporary Money Changing Facilities**

AMCs are authorized to transact money changing business only at the location or locations specifically indicated in the license. If it is intended to provide money changing facilities on a temporary basis on certain special occasions, a separate application should be made for the purpose to the Regional Office concerned of the

Foreign Exchange Department of the Reserve Bank. Full details such as period for which the exchange counter will be operated, volume of business expected, manner of accounting of the transactions, letter from organizers making available venue for the money changing facilities, etc should be submitted.

### **19. Opening of Foreign Currency Accounts by AMCs**

AMCs, with the approval of the respective Regional Offices of the Foreign Exchange Department, may be allowed to open Foreign Currency Accounts in India, by subject to the following conditions:-

- (i) Only one account may be permitted at a particular centre.
- (ii) Only the value of foreign currency notes/ encashed TCs exported through the specific bank and realized can be credited to the account.
- (iii) Balances in the accounts shall be utilized only for settlement of liabilities on account of-
  - (a) TCs sold by the AMCs and
  - (b) Foreign currency notes acquired by the AMCs from AD Category - I banks.
- (iv) No idle balance shall be maintained in the said account.

### **20. Submission of Balance Sheet and maintenance of NOF**

All AMCs are required to submit their annual audited balance sheet to the respective Regional office of the Reserve Bank for the purpose of verification of their net owned fund along-with a certificate from the statutory auditors regarding the NOF as on the date of the balance sheet. As AMCs are expected to maintain the minimum NOF on an ongoing basis, they are required to bring it to the notice of the Reserve Bank immediately along with a detailed time bound plan for restoring the net owned fund to the minimum required level, if there is any erosion in their NOF below the minimum level.

## **(F) Anti-Money Laundering (AML) Guidelines**

### **1. Money Laundering**

The offence of Money Laundering has been defined in Section 3 of the Prevention of Money Laundering Act, 2002 (PMLA) as "whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of offence of money laundering". Money Laundering can be called a process by which money or other assets obtained as proceeds of crime are exchanged for "clean money" or other assets with no obvious link to their criminal origins.

### **2. AML Guidelines**

The purpose of prescribing Anti-Money Laundering Guidelines is to prevent the system of Authorised Money Changers (AMCs) engaged in the purchase and / or sale of foreign currency notes / Travellers' cheques from being used for money laundering. Therefore, Anti-Money Laundering (AML) measures should include :

- a. Identification of Customer according to "Know Your Customer" (KYC) norms,
- b. Recognition, handling and disclosure of suspicious transactions,
- c. Appointment of Money Laundering Reporting Officer (MLRO),
- d. Staff Training,
- e. Maintenance of records,
- f. Audit of transactions.

The following paragraphs contain broad guidelines to enable AMCs to formulate and put in place a proper policy framework for AML measures.

### **3. Know Your Customer (KYC) – Identification of Customers**

For purchase of foreign exchange less than US \$ 200 or its equivalent, photocopies of the identification document need not be kept on record. However, full details of the identification document should be maintained.

For encashment of foreign exchange between US \$ 200 and US \$ 2000 or its equivalent, the photocopies of the identification document should be maintained for one year and until completion of statutory audit.

For encashment in excess of US \$ 2000 or its equivalent, the photocopies of the identification document should be maintained for a minimum period of five years.

### **4. Purchase of Foreign Exchange**

a) For encashment of foreign currency notes and / or Travellers' Cheques up to US \$ 500 or its equivalent, production of passport need not be insisted upon and any other suitable document of identification like ration card, driving license, etc. can also be accepted.

b) For verification of the identity of customer for encashment in excess of US \$ 500 or its equivalent, a photo identity document such as passport, driving license, PAN Card, voter identity card issued by the Election Commission, etc. should be obtained

c) Requests for payment of sale proceeds in cash may be acceded to the extent of US \$ 1000 or its equivalent per transaction. All encashment within one month may be treated as single transaction for the purpose. Requests for payment in cash by foreign visitors / Non-Resident Indians may be acceded to the extent of US \$ 3000 or its equivalent. In all other cases, AMCs should make payment by way of 'Account Payee' cheque / demand draft only.

d) Where the amount of forex tendered for encashment by a non-resident or a person returning from abroad exceeds the limits prescribed for Currency Declaration Form (CDF), the AMC should invariably insist for production of declaration in CDF.

**5. In all cases of sale of foreign exchange, irrespective of the amount involved,** for identification purpose the passport of the customer should be insisted upon. The sale of forex should be made only on personal application and identification. Payment in excess of Rs. 50,000/- towards sale of foreign exchange should be received only by the applicant's crossed cheque / crossed cheque drawn on the bank account of the firm/company sponsoring the visit of the applicant / Banker's cheque / Pay Order / Demand Draft. Such payment can also be received through debit cards/ credit cards/ prepaid cards provided (i) KYC/ AML guidelines are complied with, (ii) sale of foreign currency/ issue of foreign currency travellers' cheques is within the limits (credit/ prepaid cards) prescribed by the bank, (iii) the purchaser of foreign currency/ foreign currency travellers' cheque and the credit/ debit/ prepaid card holder is one and the same person. All purchases by a person within one month may be treated as single transaction for the purpose. Encashment Certificate, wherever required, should also be insisted upon.

#### **6. Establishment of business relationship**

Relationship with a business entity like a company / firm should be established only after obtaining and verifying suitable documents in support of name, address and business activity such as certificate of incorporation under the Companies Act, 1956, Memorandum of Association and Articles of Association, registration certificate of a firm (if registered), partnership deed, PAN Card, etc. A list of employees who would be authorized to transact on behalf of the company / firm and documents of their identification together with their signatures, should also be called for.

Copies of all documents called for verification should be kept on record.

#### **7. Suspicious Transactions**

The AMC must ensure that its staff is vigilant against money laundering transactions at all times. An important part of the AML measures is determining whether a transaction is suspicious or not. A transaction may be of suspicious nature irrespective of the amount involved.

Some possible suspicious activity indicators are given below:

- Customer is reluctant to provide details / documents on frivolous grounds.



- The transaction is undertaken by one or more intermediaries to protect the identity of the beneficiary or hide their involvement.
- Large cash transactions.
- Size and frequency of transactions is high considering the normal business of the customer.
- Change in the pattern of business transacted.

The above list is only indicative and not exhaustive.

## **8. Appointment of Money Laundering Reporting Officer (MLRO)**

a. An MLRO may be appointed by every AMC for monitoring transactions and ensuring compliance with the AML Guidelines issued by the Reserve Bank from time to time. Any transaction, that appears suspicious, may be put through only after obtaining MLRO's consent. The MLRO will also be responsible for reporting of suspicious transaction/s to the Financial Intelligence Unit (FIU).

b. The MLRO shall have reasonable access to all the necessary information/ documents, which would help him in effective discharge of his responsibilities.

c. The responsibility of the MLRO may include :

- Putting in place necessary controls for detection of suspicious transactions.
- Receiving disclosures related to suspicious transactions from the staff or otherwise.
- Deciding whether a transaction should be reported to the appropriate authorities.
- Training of staff and preparing detailed guidelines / handbook for detection of suspicious transactions.
- Preparing annual reports on the adequacy or otherwise of systems and procedures in place to prevent money laundering and submit it to the Top Management within 3 months of the end of the financial year.

## **9. Reporting of Suspicious Activity**

- To the extent possible, all suspicious transactions should be reported to the MLRO before they are undertaken.
- Full details of all suspicious transactions, whether put through or not, should be reported, in writing, to the MLRO.
- Any transaction which seems suspicious may be undertaken only with prior approval of MLRO.
- If the MLRO is reasonably satisfied that the suspicious transaction has / may have resulted in money laundering, he should make a report to the appropriate authority viz. the FIU.

## **10. Staff Training**

All the managers and staff of the AMC must be trained to be aware of the policies and procedures relating to prevention of money laundering, provisions of the PMLA and the need to monitor all transactions to ensure that no suspicious activity is being undertaken under the guise of money changing. The steps to be taken when the staff come across any suspicious transactions (such as asking questions about the source of funds, checking the identification documents carefully, reporting immediately to the MLRO, etc.) should be carefully formulated by the AMC and suitable procedure laid down. The AMCs should have an ongoing training programme for consistent implementation of the AML measures.

## **11. Audit / Compliance**

The concurrent auditor should check all transactions to verify that they have been done in compliance with the anti-money laundering guidelines and have been reported as required. Compliance on the lapses, if any, recorded by the concurrent auditor should be put up to the Board. A certificate from the Statutory Auditor on the compliance with AML guidelines should be obtained at the time of preparation of the Annual Report and kept on record.

## **12. Maintenance of records**

The following documents should be preserved for a minimum period of five years.

- Records including identification obtained in respect of all transactions.
- Statements / Registers prescribed by the Reserve Bank from time to time.
- All Inspection / Audit / Concurrent Audit Reports.
- Annual reports of the MLRO submitted to the Top Management in terms of paragraph 8 above.
- Details of all suspicious transactions reported in writing or otherwise to the MLRO.
- Details of all transactions involving purchase of foreign exchange against payment in cash exceeding **Indian Rupees 10,00,000** from inter-related persons during one month.
- All correspondence / reports with the appropriate authority in connection with suspicious transactions.
- References from Law Enforcement Authorities, including FIU, should be preserved until the cases are adjudicated and closed.

### **(G) Revocation of Licence**

The Reserve Bank reserves the right to revoke the licence granted to an AMC at any time if the Reserve Bank is satisfied that (a) it is in public interest to do so or (b) the AMC has failed to comply with any condition subject to which the authorisation is granted or has contravened any of the provisions of the Foreign Exchange Management Act, 1999 or any rule, regulation, notification, direction or order made there-under. The Reserve Bank also reserves the right to revoke the authorisation of any of the offices for infringement of any statutory or regulatory provision. The Reserve Bank may at any time vary or revoke any of the existing conditions of a money changer's licence or impose new conditions.

**Annex-II**

[Annex to A. P. (DIR Series) Circular No. 57 dated March 09, 2009]

**(Paragraph (A)(3)(ii) above)**

**APPLICATION FORM FOR FFMC LICENCE  
UNDER SECTION 10(1) OF FEMA, 1999**

1.	Full name of the applicant	
2.	Address in full	
3.	Name of location/s to where the applicant proposes to conduct Money Changing Business (Please enclose copies of the Licences under Shops and Establishment Act)	
4.	(a) Date of establishment of the company  (b) Name/s and address/es of the Directors of the company	
5.	Copy of the certificate of Registration (Certificate of Incorporation & Certificate of Commencement of Business) of the company	
6.	Copy of Memorandum of Association together with a letter indicating the clause which provides for taking up money changer's business.	
7.	Confidential report from the applicant's bank/s in CIR format.	
8.	Net Owned Funds  A copy of the latest Audited Balance Sheet of the applicant company together with a certificate from their Statutory Auditors certifying their Net Owned Funds as on the date of application and calculation thereof is to be enclosed.	Rs.
9.	Declaration to the effect that the company and any of its directors are not under investigation/adjudication of any law enforcing agencies, such as DoE/DR1 and also that no criminal proceedings filed by Crime Investigation	

	Agencies are pending against the company or any of its directors.	
10.	Undertaking to post competent staff to handle the money changer's business.	
11.	Name, designation of persons authorised to deal in foreign exchange.	
13.	A brief write up of the activities of the applicant/nature of business.	
14.	Whether the applicant had applied earlier for FFMC / RMC licence. If so, the particulars thereof.	
15.	Any other particulars / special reasons the applicant may wish to state in support of the application.	

We undertake that in the conduct of money changing business, we shall at all time abide by the rules/regulations/orders/directions/notifications which Reserve Bank may from time to time issue in this behalf.

Place:

Date:

Signature of the applicant with seal

Enclosures:

1. Bankers' confidential Report
2. Attested copies of audited accounts for the past 3 years.

Note: Single branch FFMCs shall have net owned funds not less than Rs.25 lakhs while FFMCs intending to operate through more than one branch will have to maintain net owned funds not less than Rs.50 lakhs.

[Annex to A. P. (DIR Series) Circular No. 57 dated March 09, 2009]

**(Paragraph (A)(3)(iii) above)**

**'Fit and proper' criteria for directors of FFCs / non-bank ADs Category - II**

(a) The Boards of FFCs / non-bank ADs Category - II should undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria. For assessing integrity and suitability, factors like criminal record, financial position, civil action initiated to pursue personal debts, refusal of admission to or expulsion from professional bodies, sanctions imposed by regulators or similar bodies, previous questionable business practices, etc. should be considered. The Board of Directors should assess 'fit and proper' status by calling for information by way of self-declaration, verification reports from market, etc. FFCs / non-bank AD Category - II should obtain necessary information and declaration from the proposed / existing directors for the purpose in Proforma given at the end.

(b) The process of due diligence should be undertaken by the FFCs / non-bank ADs Category - II at the time of appointment / renewal of appointment.

(c) The Boards of the FFCs / non-bank ADs Category - II should constitute Nomination Committees to scrutinize the declarations.

(d) Based on the information provided in the signed declaration, Nomination Committees should decide on the acceptance or otherwise and may make references, where considered necessary to the appropriate authority / persons, to ensure their compliance with the requirements indicated.

(e) FFCs / non-bank ADs Category - II should obtain annually as on 31<sup>st</sup> March a simple declaration that the information already provided has not undergone change and where there is any change, requisite details are furnished by the directors forthwith.

(f) Further, the candidate should normally not exceed 70 years of age, should not be a Member of Parliament / Member of Legislative Assembly / Member of Legislative Council.

(g) Any change in directors during the year should be reported to the Regional Office concerned of the Foreign Exchange Department, Reserve Bank of India in the Proforma given below.

(h) Comments of respective Departments of the Reserve Bank will be obtained on the operations of an applicant who / whose parent organisation is already licensed / authorised by the Reserve Bank.

### **Proforma**

#### **Information about New Directors / Change of Directors of the FFMC / non-bank AD Category - II**

1. Name :
2. Designation :
3. Nationality :
4. Age :
5. Business Address :
6. Residential Address :
7. Educational / professional qualifications :
8. Line of business or vocation :
9. Name/s of other companies in which the person has held the post of Chairman / Managing Director / Director / Chief Executive Officer :
10. (i) Whether associated as promoter, Managing Director, Chairman or Director with any other FFMC / AD Category - II? :  
(ii) If yes, the name/s of the company/ies :
11. (i) Whether prosecuted/convicted for any economic offence either in the individual capacity or as a partner / director of any firm / company :

- (ii) If yes, particulars thereof :
12. Experience in money changing business (number of years) :
13. Equity shareholding in the company
- No. of shares :
- Face value :
- Percentage to total equity share capital of the company: :

Signature : Name :

Date : Designation :

Place : (Chief Executive Officer)

Company :



[Annex to A. P. (DIR Series) Circular No. 57 dated March 09, 2009]

**Form RMC-F  
(Paragraph (C)(4) above)**

1.	Name of the AD/ FFMC	
2.	Name and address of the franchisee	Details of locations
	(i)	
	(ii)	
	(iii)	
	Etc.	
3.	Existing business activity of the franchisee	
4.	Net Owned Funds	
5.	Shop & Establishment/ other applicable municipal certification in favour of the franchisee	
6.	Conduct certificate of the franchisee from the local police authorities	
7.	Declaration regarding past criminal case, if any, cases initiated/ pending against the franchisee or its directors/ partners by any law enforcing agency, if any	
8.	PAN Numbers of the franchisee and its directors/ partners	
9.	Arrangements in place to surrender the foreign exchange	
10.	AML, Reporting, Audit and Inspection arrangements	

We declare that while selecting the franchisees adequate due diligence has been carried out and that such entities have undertaken to comply with all the provisions of the franchising agreement/prevailing RBI regulations regarding money changing.

Place:-

Date :-

Authorized Signatory

**FLM 1**  
**[Paragraph (E)(14)(i) (a) above]**

**Daily Summary and Balance Book**  
 (Foreign Currency notes/coins)

Date: \_\_\_\_\_

	<b>Pound Sterling</b>	<b>U.S. dollar</b>	<b>Euro</b>	<b>Yen</b>	<b>Other (Pl. specify)</b>
<b>I. Opening Balance</b>					
<b>II. Add: Purchases</b>					
(i) Purchases from the public					
(ii) Purchases from authorized dealers, money-changers and franchisees					
(iii) Import from abroad for replenishment of stock					
<b>Total purchases</b>					
<b>Total (I + II)</b>					
<b>III. Less Sales:</b>					
(i) Sales to public					
(ii) Sales to authorized dealers/ full-fledged money changers					
(iii) Despatched abroad for realization					
<b>Total Sales</b>					
<b>IV. Closing Balance (I + II - III)</b>					

**N.B:** In cases where forged notes etc. are detected, the closing balance may be adjusted with remarks indicating the amount and the reasons for writing off.

Date:

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

[Annex to A. P. (DIR Series) Circular No. 57 dated March 09, 2009]

**FLM 2**  
**[Paragraph (E)(14)(i) (b) above]**

**Daily Summary and Balance Book**  
(Travellers' cheques)

Date: \_\_\_\_\_

	Pound sterling	U.S. dollar	Euro	Yen	Other (Pl. specify)
I. Opening Balance					
II. Add: 1) Purchase from the public 2) Purchases from others (including fresh stock received)					
Total (I + II)					
III. Less :1) Sales to public 2) Surrender to ADs/FFMCs 3) Exports					
IV. Closing Balance (I + II - III)					

Pre-paid cards sold

No.

Amount.

Date:

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

**Note:- Stock register of blank travellers' cheques/ smart cards in various denominations obtained from authorized dealers/ TC issuers/ other agencies for sale to travellers under Basic Travel Quota or for business visit should be maintained and balanced on a daily basis.**

**Annex-VII**

[Annex to A. P. (DIR Series) Circular No. 57 dated March 09, 2009]

**FLM 3**  
**[Paragraph (E)(14)(i) (c) above]**

Register of purchases of foreign currencies from the public

<b>Date</b>	<b>Sr. No.</b>	<b>Name of the tenderer</b>	<b>Nationality &amp; Full Address</b>	<b>Details of Identification documents</b>	<b>Pound Sterling</b>	<b>U.S. dollar</b>	<b>Euro</b>
<b>1.</b>	<b>2.</b>	<b>3.</b>	<b>4.</b>	<b>5.</b>	<b>6.</b>	<b>7.</b>	<b>8.</b>

<b>Japanese Yen</b>	<b>Others (Pl. specify)</b>	<b>Rate</b>	<b>Rupee Equivalent</b>	<b>Encashment certificate No. and date</b>	<b>Remarks</b>
<b>9.</b>	<b>10.</b>	<b>11.</b>	<b>12.</b>	<b>13.</b>	<b>14.</b>

NOTES: (1) If the money-changer is dealing in a large number of currencies, two or more registers currency-wise or otherwise may be maintained, as convenient.

(2) If travellers cheques are purchased, the prefix, "TC" may be indicated in the amount column.

(3) If more than one currency is purchased from the same tenderer, separate entries may be made.

Date:

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

**Annex-VIII**

[Annex to A. P. (DIR Series) Circular No. 57 dated March 09, 2009]

**FLM 4**  
**[Paragraph (E)(14)(i) (d) above]**

**Register of purchases of foreign currency notes/coins from  
Authorised dealers and authorised money-changers**

<b>Date</b>	<b>Sr. No.</b>	<b>Name and address of the authorised dealer/ authorised money-changers from whom purchased</b>	<b>Currency</b>	<b>Amount</b>	<b>Rate</b>	<b>Rupee equivalent</b>	<b>Remarks</b>
<b>1.</b>	<b>2.</b>	<b>3.</b>	<b>4.</b>	<b>5.</b>	<b>6.</b>	<b>7.</b>	<b>8.</b>

Date:

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

**Annex-IX**

[Annex to A. P. (DIR Series) Circular No. 57 dated March 09, 2009]

**FLM 5****[Paragraph (E)(14)(i) (e) above]****Register of sales of foreign currencies to the public**

Date	Sr. No	Name of the tenderer	Nationality & Full Address	Details of Identification Document	Name of the sponsoring Organisation	Country/ies of visit	Purpose of visit	Duration of stay abroad (No. of days)
1.	2.	3.	4.	5.	6.	7.	8.	9.

Particulars of foreign currency notes/coins/TCs/pre-paid cards			Rate	Rupee equivalent	Commission charged, if any	Total amount received		Cash Memo No. & Date	Remarks
Name of currency	Amount in Notes/coins	Amount in TCs/cards				By Cash	By Cheque		
10.	11.	12.	13.	14.	15.	16.	17.	18.	19.

**Notes:** (1) If the money-changer is dealing in a large number of currencies, two or more registers currency-wise or otherwise may be maintained, as convenient.

(2) If more than one currency is sold, separate entries may be made

(3) The columns 6 and 9 to be filled in case of release of exchange for business purpose.

Date:

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

[Annex to A. P. (DIR Series) Circular No. 57 dated March 09, 2009]

**FLM 6**  
**[Paragraph (E)(14)(i) (f) above]**

**Register of sales of foreign currency notes/coins to authorised dealers / full fledged money changers/overseas banks**

<b>Date</b>	<b>Sr. No.</b>	<b>Name and address of the authorised dealer/full fledged Money changer/ overseas bank to whom sold</b>	<b>Currency</b>	<b>Amount</b>	<b>Rate</b>	<b>Rupee Equivalent received</b>	<b>Remarks</b>
<b>1.</b>	<b>2.</b>	<b>3.</b>	<b>4.</b>	<b>5.</b>	<b>6.</b>	<b>7.</b>	<b>8.</b>

Note :- Necessary entries in the register should be made before the funds are taken out of the premises, not after delivery of funds.

Date:

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

**Annex- XI**

[Annex to A. P. (DIR Series) Circular No. 57 dated March 09, 2009]

**FLM 7**

**[Paragraph (E)(14)(i) (g) above]**

**Register of travellers cheques surrendered to authorised dealers/authorised money changers/exported**

<b>Date</b>	<b>Sr. No.</b>	<b>Name and address of the Authorised dealer/authorised money changer/TC issuer/authorised agent to whom sold</b>	<b>Travellers cheque No.(s)</b>	<b>Amount</b>	<b>Rate</b>	<b>Rupee Equivalent received</b>	<b>Remarks</b>
<b>1.</b>	<b>2.</b>	<b>3.</b>	<b>4.</b>	<b>5.</b>	<b>6.</b>	<b>7.</b>	<b>8.</b>

Date:

Name: \_\_\_\_\_

Designation: \_\_\_\_\_



[Annex to A. P. (DIR Series) Circular No. 57 dated March 09, 2009]

**FLM 8**

**(For FFMCs)**

**(Paragraph (E)(15)(i) above)**

**Summary statement of purchases and sale of foreign currency notes during the month of \_\_\_\_\_ 200**

**Name and address of money changer**

**RBI Licence No. \_\_\_\_\_**

	USD	GBP	EURO	JPY	Others (Specify)
<b>A. Opening balance</b>					
Purchase of foreign currency notes from					
(a) Public					
(b) RMCs/FFMCs/ADs including imports.					
(c) Agents/Franchisees					
<b>B. Total Purchases (a) + (b) + (c)</b>					
Sales of foreign currency notes under					
(a) BTQ					
(b) Business Visits					
(c) Sales to other FFMCs/ADs including exports					
<b>C. Total Sales [ (a) + (b) + (c) ]</b>					
Closing balance (A+B - C)					

We hereby certify that the statement is a true and correct account of all transactions undertaken during the month in accordance with the Exchange Control Regulations.

Place:

(Signature of Authorized Official)

Stamp

Name: \_\_\_\_\_

Date:

Designation \_\_\_\_\_

**FLM 8**  
**(For ADs Category - II)**  
**(Paragraph (E)(15)(i) above)**

**Summary statement of purchases and sale of foreign currency notes during  
the month of \_\_\_\_\_ 200**

**Name and address  
of the Authorised  
Dealer Category-II** \_\_\_\_\_

**RBI Licence No.** \_\_\_\_\_

	USD	GBP	EURO	JPY	Others (Specify)
<b>A. Opening balance</b>					
Purchase of foreign currency notes from					
(a) Public					
(b) RMCs/FFMCs/ADs including imports.					
(c) Agents/Franchisees					
<b>B. Total Purchases (a) + (b) + (c)</b>					
Sales of foreign currency notes under( with purpose codes)					
(a) (i) BTQ /(ii) Private Visits (S0302)					
(b) (i) Business Visits/(ii) Business Travel (S0301)					
(c) Remittance by tour operators / travel agents to overseas agents / principals / hotels( S0306)					
(d) Film shooting(S1101)					
(e) Medical Treatment					

<p>abroad(S0304)</p> <p>(f) Disbursement of crew wages(S1401)</p> <p>(g) Overseas Education(S0305)</p> <p>(h) (i) Fee for participation in global conferences and specialized training / (ii) Remittance for participation in international events / competitions (towards training, sponsorship and prize money)/ (iii) Remittance under educational tie up arrangements with universities abroad/(iv) Remittance towards fees for examinations held in India and abroad and additional score sheets for GRE, TOEFL etc./ (v) Employment and processing, assessment fees for overseas job applications/(vi) Skills / credential assessment fees for intending migrants/(vii) Visa fees /(viii) Processing fees for registration of documents as required by the Portuguese / other Governments/ (ix) Registration / Subscription / Membership fees to</p>					
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International Organizations (S1102)					
(h) Emigration Fees (S1202)					
(i) Emigration Consultancy Fees (S1006)					
(k) Sales to other FFMCS/ADs including exports					
<b>C. Total Sales [ (a) + (b) + (c) + (d) + (e) + (f) + (g) + (h) + (i) + (j) + (k) ]</b>					
Closing balance (A+B - C)					

We hereby certify that the statement is a true and correct account of all transactions undertaken during the month in accordance with the Exchange Control Regulations.

Place:

(Signature of Authorised Official)

Stamp

Name: \_\_\_\_\_

Designation

Date: \_\_\_\_\_

**RLM 3****(Paragraph (E)(15)(ii) above )****Statement of foreign currency surrendered to authorized dealers/ full-fledged moneychangers during the quarter ended -----**

Name and address of Restricted Money Changer \_\_\_\_\_

RBI License No. \_\_\_\_\_

Name of foreign currency	Opening balance at the beginning of the quarter	Foreign currency purchased	Rupee equivalent	Amount surrendered to authorized dealers/ full fledged money changers in foreign currency	Closing balance at the end of quarter in foreign currency
(1)	(2)	(3)	(4)	(5)	(6)
Pound Sterling	C/N				
	T/C				
US Dollar	C/N				
	T/C				
Euro	C/N				
	T/C				
Japanese Yen	C/N				
	T/C				
Others (Pl. specify)	C/N				
	T/C				

I/We certify that

- the statement accounts for all the purchase transactions undertaken with the customers and surrendered to the authorized dealers/ full-fledged money-changers during the quarter.
- All the above transactions have been effected in accordance with the current Exchange Control regulations ; and
- Encashment certificates have been issued in respect of all purchases from the public (wherever applicable).

Encls: \_\_\_\_\_

Stamp

(Signature of Authorized Official)

Place:

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Counter Signature of the AD/ FFMC

**Note:- Fully utilized CDF received from tenderers should be enclosed with the statement**

[Annex to A. P. (DIR Series) Circular No. 57 dated March 09, 2009]

**(Paragraph (E)(15)(iii) above )**

**Statement of Purchase transactions of USD 10,000 and above  
for the month of \_\_\_\_\_**

Date of transaction	Name and address of the person surrendering the foreign currency	Amount
		Currency/ TCs

Signature of Authorized Official  
with Seal

[Annex to A. P. (DIR Series) Circular No. 57 dated March 09, 2009]

**(Paragraph (E)(15)(iv) above )**

**Statement showing summation of Foreign Currency Account opened in India  
out of export proceeds of Foreign Currency Notes / encashed Travellers'  
Cheques for the quarter ended \_\_\_\_\_**

(Value in USD)

Opening Balance in the Account	Value of foreign currency notes/ encashed TCs exported	Amount realized in foreign currency	Of Column 3 amount credited to Foreign Currency Account	Amount remitted to TC issuing organization from TCs sold / Debited for purchase of foreign currency notes from ADs	Maximum balance maintained on any day in the foreign currency account during the quarter	Closing balance in the Foreign Currency Account	Remarks
1.	2.	3.	4.	5.	6.	7.	8.

Certified that the above particulars are correct as per our records.

Name and address of the AD Category - I

Signature of Authorized Official of  
the AD Category - I with Seal

**Annex- XVI**

[Annex to A. P. (DIR Series) Circular No. 57 dated March 09, 2009]

**(Paragraph (E)(15)(v) above )**

Name of the FFMC/ AD Category - II :

Statement of the amount of foreign currency written off during the financial year ended \_\_\_\_\_

A. Total amount written-off (in equivalent USD) :-

B. Details of the amount written-off :-

Sr. No.	Date of write-off	Amount of foreign currency (with currency-wise break-up)	On account of *	Approved by FFMC/AD Category-II/ Reserve Bank
1.	2.	3.	4.	5.
		Total :		

\* Please indicate whether on account of being found to be fake or forged/ theft/ lost in transit, etc.

Signature of Authorized Official  
with Seal