



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

RBI/2014-15/147
A.P. (DIR Series) Circular No.14

July 25, 2014

To

All Authorised Persons

Madam/ Sir,

Issue of Prepaid Forex Cards- Due Diligence and Adherence to KYC norms

Attention of all the Authorised Persons in foreign exchange is invited to Para 2 of the [A. P. \(DIR Series\) Circular No. 104 dated April 04, 2012](#).

2. It has been brought to our notice that some authorised dealers / full-fledged money changers may neither be exercising due diligence nor adhering to KYC norms while selling prepaid foreign currency cards (issued by a few select banks) to their customers.

3. In this connection, it is clarified that prepaid foreign currency cards are a form of foreign currency, similar to foreign currency notes or travellers cheques. As such, the authorised dealers/FFMCs selling pre-paid foreign currency cards for travel purposes are required to comply with the same rigorous standards of due diligence and KYC as they would in case they were selling foreign currency notes/ travellers cheques to their customers.

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), as amended from time to time and are without prejudice to permission /approvals, if any, required under any other law.

Yours faithfully,

(C. D. Srinivasan)
Chief General Manager