

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3254

ANSWERED ON:11.08.2000

FOREIGN EXCHANGE BUREAUX

ASHOK NAMDEORAO MOHOL;NARESH KUMAR PUGLIA;SUBODH MOHITE;SURESH RAMRAO JADHAV (PATIL);TUFANI SAROJ

**Will the Minister of FINANCE be pleased to state:**

- (a) whether any proposal is under consideration of the Reserve Bank of India to allow foreign exchange bureaux and shops on the lines of telephone STD booths in major cities;
- (b) if so, the details thereof;
- (c) the time by which a final decision in this regard is likely to be taken; and
- (d) the steps taken by the Government to remove regulatory constraints for encashment of foreign exchange?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (V. DHANANJAYA KUMAR)

(a) to (c):- RBI is interested in enlarging the retail network of foreign exchange encashment facilities in India and to this effect is prepared to issue more licences for setting up forex Bureaux/Money changing shops with a view to making it convenient for the NIRs/Tourists/Businessmen visiting India to encash foreign currency or foreign travellers cheques or acquire Indian Rupees against International Credit Cards.

At present the bank's designated branches, who are authorised dealers in Forex and the money changers extend such conversion/encashment facilities. With the objective of improving such facilities, RBI has recently written to the banks to improve the facilities available at various branches and consider opening kiosks dedicated to provide the facilities. RBI would also consider licencing more non-banks institutions as Full Fledged Money Changers and Restricted Money Changers.

An organisation registered under the Companies Act, with a net owned funds of not less than Rs. 25 lakhs can apply for a Full Fledged Money Changers licence. In the case of Restricted Money Changers (RMC), no net owned funds requirement is stipulated. RMC licences can be given to a number of establishments on the lines of telephone STD booth in all places depending on the demand for such facilities.

(d):- Regulations for encashment of foreign exchange are reviewed on a continuous.