

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:6793
ANSWERED ON:09.05.2003
FOREIGN EXCHANGE TRANSACTION IN POST OFFICES
MANSINH PATEL

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the Government are contemplating to introduce transaction of foreign exchange in some post offices;
- (b) if so, the details thereof;
- (c) whether this would help in curbing the illegal trade of foreign exchange;
- (d) if so, the details thereof ; and
- (e) the time by which the said proposal is likely to be implemented alongwith the status of the same at present ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(Shri. Anand Rao V. Adsul)

(a) to (e): The Department of Posts has entered into an agreement with Western Union Financial Services Inc., USA (WUFS) for inward money transfer services. Under this arrangement, personal inward remittances received from abroad through the WUFS networks are distributed to recipients in India through designated post offices. The Department of Posts is reimbursed by WUFS through normal banking channels for the amounts disbursed by them. The provision of the facility is expected to curb illegal trade in foreign exchange. Permission for the arrangement was first given the Reserve Bank in November 2000 and has been periodically renewed.