

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2740
ANSWERED ON:11.03.2011
TRANSFER OF FUNDS
Balram Shri P.

Will the Minister of FINANCE be pleased to state:

(a) whether the overseas money transfer agents cannot enter into any exclusive arrangement with Indian entities for transfer of funds into the country; and

(b) if so, the details worked out so far in this regard?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) & (b): Reserve Bank of India (RBI) has informed that overseas entities, authorized by RBI, under the Payment and Settlement Act, 2007 to operate in-bound cross border money transfer services through agents appointed in India, shall not enter into any arrangement with any entity regulated by RBI, appointed as agent, incorporating any kind of `exclusivity` clause in the contracts which restrict or prohibit the agent from entering into agency relationship with other overseas entities operating in-bound cross border money transfer services. Also, the agents appointed by the overseas entities shall not enter into any arrangement with any entity regulated by the RBI to function as sub-agents incorporating any kind of `exclusivity` clause in the contracts. Further, the agents appointed by the overseas entities can enter into agreements with `exclusivity` clause with entities not regulated by RBI, only through mutual consent.