

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2205  
ANSWERED ON:12.08.2011  
CROSS BORDER MONEY TRANSFER  
Alagiri Shri S. ;Singh Rajkumari Ratna

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

- (a) the details of cross border money transfer systems available in the country alongwith role of the Government, Reserve Bank of India (RBI) in each such system;
- (b) whether the Government / RBI has proposed to regulate such activities;
- (c) if so, the details thereof and reasons therefor; and
- (d) if not, the reasons therefor?

**Answer**

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

(a) Cross-border outward and inward remittances from India can be sent through banking channel and postal channel, for which general permission is available under Foreign Exchange Management Act, 1999 to Authorised Dealer Category-I (AD Category-I) banks and the Department of Posts, Government of India. Besides the two channels, cross-border inward remittances can be received by AD Category -I banks in India through Rupee Drawing Arrangements (RDAs) with Exchange Houses in Gulf countries, Hong Kong and Singapore and by Indian Agents, which are AD Category -1 banks, ADs Category -II and Full Fledged Money Changers through arrangements with money transfer operators abroad under Money Transfer Service Scheme (MTSS), with prior approval from the Reserve Bank of India (RBI) under FEMA, 1999.

(b) to (d): RBI has, vide their circular dated 13.04.2007, advised banks to ensure that all cross-border wire transfers must be accompanied by accurate and meaningful originator information. Information accompanying cross-border wire transfers must contain the name and address of the originator and where an account exists, the number of that account. In the absence of an account, a unique reference number, as prevalent in the country concerned, must be included. Where several individual transfers from a single originator are bundled in a batch file for transmission to beneficiaries in another country, they may be exempted from including full originator information, provided they include the originator's account number or unique reference number.