

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6127
ANSWERED ON:03.05.2013
BANKS REMITTANCE SERVICES
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Will the Minister of FINANCE be pleased to state:

- (a) whether the remittance services are being provided by the various banks in the country and if so, the details thereof, bank-wise;
- (b) whether the State Bank of India (SBI) has suspended the remittance services from any country in the recent past and if so, the details thereof and the reasons therefor;
- (c) whether the Government has received any representation from NRIs against the suspension of the above service and if so, the details thereof;
- (d) whether there has been a decline in foreign inward remittances from gulf countries into the country particularly in Kerala in the recent months;
- (e) if so, the details thereof and the reasons therefor; and
- (f) the steps being taken / proposed to be taken by the Government in this regard?

Answer

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

(a): Reserve Bank of India (RBI) has informed that the remittance services are being provided by the banks in the country in the form of outward remittances and inward remittances. Bank to bank channel is involved in respect of outward remittance. Whereas in respect of inward remittances, there are three channels viz. Bank to bank, Rupee Drawing Arrangement (RDA) and Money Transfer Service Scheme (MTSS).

(b) to (f): State Bank of India (SBI) has informed that they have discontinued their online inward remittance services from USA to India since 22nd January, 2013. SBI was offering online remittance services from USA through one of its departments at Mumbai since 2005. Yearly review of remittance services was being done since 2010. In the recent review, it was noted that for online inward remittance services, it is required to install Anti Money Laundering / Office of Foreign Assets Control (AML/OFAC) compliance infrastructure in USA and if the product is to be offered from any office in India, there may also be a requirement for registration of remittance services in USA. Hence it was decided to discontinue online inward services from USA to India through Mumbai Office. However, the remittance from USA may avail the remittance services available at SBI, New York by opening a checking account with them. SBI has informed that as per their record there is no decline in inward remittances from Gulf countries to India. Also, no decline in inward remittances has been observed for Kerala from the gulf countries.