

--COPY OF--

RBI/2011-12/242-A.P. (DIR Series) Cir.No. 41,

Dated- November 01, 2011

Memorandum of Instructions governing money changing activities

Attention of Authorised Persons is invited to Para-3 of Part B of the Annex- I to the Memorandum of Instructions to Authorised Money Changers (AMCs), issued vide A. P. (DIR Series) Circular No. 57 [A.P. (FL/RL Series) Circular No. 04] dated March 09, 2009 in terms of which applications from AMCs for additional offices in metropolitan cities are considered if the total offices (including proposed offices) of the applicant are in the ratio 1:1 (i.e. the applicant has one non-metropolitan office for every office in a metro).

2. In order to provide more flexibility, to authorised persons to decide the location of their branches, it has been decided to dispense with the criteria of 1:1 ratio between metro and non-metro branches. However, we expect branches to be diversified and to be meeting the demand of tourists, etc. All the other instructions shall remain unchanged.

3. Authorised Persons may bring the contents of this circular to the notice of their constituents concerned.

4. The directions contained in this Circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and non-compliance with the guidelines would attract penal provisions of Section 11(3) of the Act *ibid*.

Yours faithfully,

(Meena Hemchandra)
Chief General Manager-in-Charge