

Full Fledged Money Changer (FFMC)

A Practitioners' Perspective



Committee for Capacity Building of CA Firms and Small & Medium
Practitioners (CCBCAF & SMP)

The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

Full Fledged Money Changer (FFMC): A Practitioners' Perspective



Committee for Capacity Building of CA Firms and Small & Medium
Practitioners (CCBCAF & SMP)

The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

© The Institute of Chartered Accountants of India

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form, or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior permission, in writing, from the publisher.

DISCLAIMER:

The views expressed in this book are those of author(s). The Institute of Chartered Accountants of India may not necessarily subscribe to the views expressed by the author(s).

The information cited in this book are drawn from various sources while every efforts have been made to keep the information cited in this book error free, the Institute or any office do not take the responsibility for any typographical or clerical error which may have crept in while compiling the information provided in this book. Further the information provided in this book are subject to the provisions contained under different Acts and members are advised to refer to those relevant provisions also.

Edition : February, 2013

Committee/ Department : Committee for Capacity Building of
CA Firms and Small & Medium Practitioners
(CCBCAF&SMP), ICAI

Email : cbcacf@icai.org

Website : www.icai.org, www.icai.org.in

ISBN : 978-81-8441-593-3

Price : ₹ 70/-

Published by : The Publication Department on behalf of the
Institute of Chartered Accountants of India, ICAI
Bhawan, Post Box No. 7100, Indraprastha Marg,
New Delhi - 110 002.

Printed by : Sahitya Bhawan Publications, Hospital Road, Agra-
282 003.
February/2013/500 Copies

Foreword

India has a strong and robust system of management of foreign exchange. The legal framework for administration of foreign exchange transactions in India is provided by the Foreign Exchange Management Act, 1999 (FEMA). FEMA facilitates external trade, payments, promotes orderly development and maintenance of foreign exchange market in the country.

The Reserve Bank of India grants licences to firms and other organizations permitting them to deal in foreign currency notes, coins and travellers cheques. These firms and organizations, generally known as 'authorized money-changers', fall into two categories, viz. 'Full-fledged money-changers' who are authorized to undertake both purchase and sale transactions with the public and 'Restricted money-changers' who are authorized only to make purchases, subject to the condition that all such collections are surrendered by them to an authorized dealer in foreign exchange / full-fledged money-changer.

With the growth in money changing activities and issuance of several instructions, stringent compliances under anti money laundering, volatility in exchange rate and dearth of skilled manpower, requirement of the services of professional chartered accountant is a need of the day. To assist the professionals who are into exchange of foreign exchange, the Committee for Capacity Building of CA Firms and Small & Medium Practitioners (CCBCAF&SMP) of The Institute of Chartered Accountants of India is bringing a publication on "Full Fledged Money Changer (FFMC): A Practitioners' Perspective". I hope that this publication serves the members and other professionals as a handy tool and a ready reference in dealing with the procedural aspects of exchange of money.

I congratulate CA. Pankaj Tyagee, Chairman, CCBCAF&SMP, ICAI and his team for their efforts in bringing out this Book. I hope that this publication would help the Members in enhancing their knowledge base.

CA. Jaydeep Narendra Shah
President, ICAI

Preface

At present, the conversion of currency notes, coins or travellers' cheques designated in foreign currency into Indian Rupees and vice versa is possible through AD Category-I banks, ADs Category-II and Full Fledged Money Changers (FFMCs). Further, AD Category – I banks, ADs Category – II and FFMCs may appoint franchisees (also known as Agents) to undertake purchase of foreign currency. However, Franchisees of AD Category – I banks, ADs Category – II and FFMCs functioning within 10 kms from the borders of Pakistan and Bangladesh may also sell the currency of the bordering country, with the prior approval of the Regional offices concerned of the Reserve Bank. Other franchisees of AD Category – I banks, ADs Category – II and Full Fledged Money Changers (FFMCs) are authorised to deal in foreign exchange for specified purposes to improve access to foreign exchange facilities by residents and tourists while ensuring efficient customer service through competition. The Reserve Bank has discontinued the scheme of Restricted Money Changers (RMCs). However, validity of licences of certain RMCs, which are operating within 10 km. bordering Pakistan and Bangladesh, has been extended by the Reserve Bank with a view to ensuring provision of adequate exchange facilities in these areas. These RMCs and franchisees may also sell the currency of the bordering country, with prior approval of the RBI.

Money Laundering is a method by which money obtained as proceeds of crime are exchanged for "clean money". Though the forex market in India is a regulated market but looking to the cut throat competition in the business of money changing and the reduction in the effective margin, we have to very much diligent in discharging our role as a professional, so that unknowingly we do not become an instrumental in money laundering transactions which are generally entered in to through stages like placement, layering and integration. I hope this book on Full Fledged Money Changer (FFMC): A Practitioners' Perspective enlighten us on dealing with the aforesaid issues.

I place on record my deep sense of gratitude to CA. Piyush Indrajit Shah for preparing the draft of this publication thereby sharing his relevant experience and expertise amongst members. I appreciate the efforts put in by the Members of the Committee for Capacity Building of CA Firms and Small & Medium Practitioners (CCBCAF & SMP), Working Group on Research & Publications namely CA. Munish Saraogi, CA. Shashi Garg, CA. Harish Gupta, CA. O.P. Mishra & CA. Shailendra

Agarwal and Dr. Sambit Kumar Mishra, Secretary, CCBCAF&SMP & other officials of Secretariat who have provided necessary support for publishing the aforesaid book.

With warm regards

CA. Pankaj Tyagee

Chairman

Committee for Capacity Building of CA Firms and
Small & Medium Practitioners (CCBCAF&SMP), ICAI

Index

S. No.	Topics	Page
	Foreword	iii
	Preface	v
1	Introduction	1-2
2	Who is FFMC?	3
3.	Criteria for FFMCs	4-5
4.	Registration Procedures	6-7
5.	KYC & AML Norms for transactions	8-11
6.	Certain Monetary Ceilings for transactions	12-13
7.	Maintenance of Records	14-15
8.	Periodicity of Submission of Statements to RBI	16
9.	Conditions for carrying out concurrent audit	17-18
10.	Inspection by RBI	19
11.	Renewal Procedures	20
12.	Applicability of Tax Audit U/s 44 AB of the Income Tax Act	21-22
13.	Applicability of Service Tax	23-25
14.	Miscellaneous	26
15.	Appendix –	27-48
	Various formats	
	Useful References	
	Standard Swift Codes	

Chapter 1

Introduction

1.1 Looking to the Foreign Exchange Turnover Data as per the PRESS RELEASE : 2012-2013 / 998 by the Reserve Bank of India, one can know the volume of daily merchant and Inter-bank SPOT transactions in foreign exchange in India.

All figures are in USD Millions

Position date	Merchant		Inter bank	
	FCY/ INR	FCY/FCY	FCY/INR	FCY/FCY
Purchase				
26 - 11 - 2012	2,497	428	6,682	3,055
27 - 11 - 2012	2,911	223	7,612	4,032
29 - 11 - 2012	4,567	544	9,304	3,696
30 - 11 - 2012	3,259	122	8,577	3,654
Sales				
26 - 11 - 2012	2,465	430	6,500	3,093
27 - 11 - 2012	2,824	219	7,297	4,031
29 - 11 - 2012	3,806	546	9,353	3,722
30 - 11 - 2012	2,814	126	8,348	3,682

28-11-2012 Being Holidays On Account Of Guru Nanak Jayanti

This volume of foreign currency transactions such as the conversion of currency notes, coins or travellers' cheques designated in foreign currency into Indian Rupees and vice versa is possible only because of the scheme of issuing license to Authorised Dealer Category - I Banks (AD Category - I Banks) and Authorised Dealers Category - II (ADs Category - II) and Full Fledged Money Changers (FFMCs) to deal in foreign currency.

1.2 The objective of the Scheme is to provide easier foreign exchange conversion facilities to travellers and tourists, including Non Resident Indians (NRIs), by enlarging the network of money changing facilities in the country. It is expected that the facility of Franchisee arrangement will enable AD Category-I banks, ADs Category-II and FFMCs to provide such facilities at all tourist centers and major cities during extended hours and on holidays while ensuring efficient customer service through competition.

FFMC: A Practitioners' Perspective

1.3 The number of FFMCs operating in India as per the list available on the website of Reserve bank of India is reproduced here under to know the presence of FFMCs in India as on today:

Serial Number	RBI Regional Office Issuing FFMC License	FFMC	Branches of FFMC	Cancelled FFMC
I	AHMEDABAD	150	21	47
II	BANGALORE	6	68	10
III	BHOPAL	8	0	4
IV	BHUVNESHWAR	1	0	1
V	CHANDIGARH	96	83	41
VI	CHENNAI	118	67	194
VII	GUWAHATI	3	1	0
VIII	HYDERABAD	51	25	19
IX	JAIPUR	12	0	2
X	JAMMU	2	4	0
XI	KANPUR	30	2	0
XII	KOCHI	43	170	1
XIII	KOLKATA	72	91	11
XIV	MUMBAI	181	350	129
XV	NEW DELHI	257	134	82
XVI	PANAJI	16	0	2
XVII	PATNA	3	4	0
	Total	1049	1020	543

Chapter 2

Who is FFMC?

Authorised Money Changers (AMCs) are entities authorised by the Reserve Bank under Section 10 of the Foreign Exchange Management Act, 1999. An AMC may either be a Full Fledged Money Changer (FFMC) or a Restricted Money Changer (RMC)*.

As per the Definition under section 2 of FEMA 1999,

"Authorised person" means an authorised dealer, money changer, off-shore banking unit or any other person for the time being authorised under sub-section (1) of section 10 to deal in foreign exchange or foreign securities;"

FFMCs are authorised to purchase foreign exchange from residents and non-residents visiting India and to sell foreign exchange for certain approved purposes (conversion of currency notes, coins or travellers' cheques designated in foreign currency into Indian Rupees and vice versa). No person shall carry on or advertise that he carries on money changing business unless he is in possession of a valid money changer's license issued by the Reserve Bank. Any person found undertaking money changing business without a valid license is liable to be penalised under the Act *ibid*.

AD Category – I / AD Category – II / FFMCs may appoint franchisees to undertake purchase of foreign currency.

* Note :- The Reserve Bank has since discontinued the Scheme of Restricted Money Changers (RMCs). However, certain RMCs functioning within 10 km from the borders of Pakistan and Bangladesh have been specifically permitted by the Reserve Bank for the time being to operate.

Chapter 3

Criteria for FFMCs

The major criteria for FFMCs are :

3.1 Entry Norms

(i) The applicant should be a company registered under the Companies Act, 1956 having registered / head office within the area of jurisdiction of the office

AND

(ii) The minimum Net Owned Funds (NOF) required for consideration as FFMC are:

Category	Minimum Net Owned Funds
Single branch FFMC	Rs.25 lakh
Multiple branch FFMC	Rs.50 lakh

Note : The Net Owned Funds of applicants, other than banks, should be calculated as per the following.

(a) **Owned Funds:** (Paid-up Equity Capital + Free reserves + Credit balance in Profit & Loss A/c) minus (Accumulated balance of loss, Deferred revenue expenditure and Other intangible assets)

(b) **Net Owned Funds:** Owned funds minus the amount of investments in shares of its subsidiaries, companies in the same group, all (other) non-banking financial companies as also the book value of debentures, bonds, outstanding loans and advances made to and deposits with its subsidiaries and companies in the same group in excess of 10 per cent of the Owned funds

3.2 'Fit and proper' criteria for the applicant FFMCs

The Boards of FFMCs / non-bank ADs Category - II should undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria. The applicant/s should normally not exceed 70 years of age, should not be a Member of Parliament / Member of Legislative Assembly / Member of Legislative Council.

For assessing integrity and suitability, factors like criminal record, if any, financial position, civil action initiated to pursue personal debts, refusal of admission to or

Criteria for FFMCs

expulsion from professional bodies, sanctions imposed by regulators or similar bodies, previous questionable business practices, etc. should be considered.

If, any case by Directorate of Enforcement (DoE) / Directorate of Revenue Intelligence (DRI) or any other law enforcing authorities, is initiated / pending against any company / its directors, the company will not be considered as 'fit and proper' and its application will not be considered for licensing as FFMC.

The Board of Directors should assess 'fit and proper' status by calling for information by way of self-declaration, verification reports from market, etc. A declaration to the effect has to be furnished for the purpose in a prescribed Performa.

Based on the information provided in the signed declaration, Nomination Committees should decide on the acceptance or otherwise and may make references, where considered necessary to the appropriate authority / persons, to ensure their compliance with the requirements indicated.

Chapter 4

Registration Procedures

4.1 Application in the prescribed form should be submitted to the respective Regional Office of the Foreign Exchange Department of the Reserve Bank under whose jurisdiction the registered office of the applicant falls, along with the following documents:

- (a) Copy each of the Certificate of Incorporation and Certificate of Commencement of Business of the company.
- (b) Memorandum and Articles of Association containing a provision for undertaking money changing business or an appropriate amendment to this effect filed with the Company Law Board.
- (c) Copy of the latest audited accounts with a certificate from the Statutory Auditors certifying the Net Owned Funds as on the date of application. Copies of the audited Balance Sheet and Profit & Loss Account of the company for the last three years, (wherever applicable)
- (d) Confidential Report from the applicant's banker in a sealed cover.
- (e) A declaration to the effect that no proceedings have been initiated by / are pending with the DoE / DRI or any other law enforcing authorities, against the applicant company or its directors and that no criminal cases are initiated / pending against the applicant company or its directors.
- (f) A declaration to the effect that proper policy framework on KYC / AML / CFT, in accordance with the guidelines issued vide A.P.(DIR Series) Circular No. 17 [A.P.(FL/RL Series) Circular No. 04] dated November 27, 2009, as amended from time to time, will be put in place on obtaining the approval of the Reserve Bank and before commencement of operations.
- (g) Details of sister / associated concerns operating in the financial sector, like NBFCs, etc.
- (h) A certified copy of the board resolution for undertaking money changing business.

4.2 The request for issuance of FFMC license would be considered by the Regional Office concerned of the Reserve Bank on the basis of the clearance by an Empowered Committee, set up for the purpose. Reserve Bank's decision in the matter of granting approval or otherwise will be final and binding.

Registration Procedures

4.3 On obtaining approval from the Reserve Bank, a copy of the registration under Shops & Establishment Act or any other documentary evidence such as rent receipt, copy of lease agreement, etc. should be submitted to the Regional Office concerned of the Reserve Bank before commencement of the business.

4.4 The FFMC should commence its operations within a period of six months from the date of issuance of license and inform the Regional Office concerned of the Reserve Bank. FFMCs should carry out their activities as per the instructions specified and other instructions issued by the Reserve Bank from time to time.

KYC & AML Norms for Transactions

5.1 The objective of prescribing **Know Your Customer (KYC) norms / Anti-Money Laundering (AML) standards / Combating the Financing of Terrorism (CFT)** guidelines is to prevent the system of purchase and / or sale of foreign currency notes / Travellers' cheques by Authorised Persons (referred as APs hereinafter) from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities.

KYC procedures also enable APs to know/understand their customers and their financial dealings better which in turn help them manage their risks prudently.

5.2 Definition of Customer

For the purpose of KYC policy, a 'Customer' is defined as :

- a person who undertakes occasional/regular transactions;
- an entity that has a business relationship with the AP;
- one on whose behalf the transaction is made (i.e. the beneficial owner) [In view of Government of India Notification dated February 12, 2010 - Rule 9, sub-rule (1 A) of PML Rules - 'Beneficial Owner' means the natural person who ultimately owns or controls a client and or the person on whose behalf a transaction is being conducted, and includes a person who exercise ultimate effective control over a juridical person].

5.3 KYC Policy

APs should frame their KYC policies incorporating the following four key elements:

5.3.1 Customer Acceptance Policy

Every AP should develop a clear Customer Acceptance Policy laying down explicit criteria for acceptance of customers. The Customer Acceptance Policy must ensure that explicit guidelines are in place.

5.3.2 Customer Identification Procedure

Customer identification means identifying the customer and verifying his/her identity by using reliable, independent source documents, data or information. APs need to obtain sufficient information necessary to establish, to their satisfaction, the identity of each new customer, whether occasional or business relationship, and the purpose of the intended nature of relationship.

KYC & AML Norms for Transactions

The policy approved by the Board of APs should clearly spell out the Customer Identification Procedure to be carried out at different stages i.e. while establishing a business relationship; carrying out a financial transaction or when the AP has a doubt about the authenticity/veracity or the adequacy of the previously obtained customer identification data.

An indicative list of the nature and type of documents/information that may be relied upon for customer identification is given here in below:

Features	Documents
<p>Transactions with individuals</p> <ul style="list-style-type: none"> - Legal name and any other names used - Correct permanent address 	<ul style="list-style-type: none"> (i) Passport (ii) PAN card (iii) Voter's Identity Card (iv) Driving license (i) Telephone bill (ii) Bank account statement (iii) Letter from any recognized public authority (iv) Electricity bill (v) Ration card (vi) Letter from employer (subject to satisfaction of the AP) <p>Note: In case of foreign tourists, copies of passport containing identification particulars and address, may be accepted as documentary proof for both identification as well as address. Further, a copy of the visa of non-residents, duly stamped by Indian Immigration authorities may also be obtained and kept on record.</p>
<p>Establishment of business relationship-corporate</p> <ul style="list-style-type: none"> - Name of the corporate - Principal place of business - Mailing address of the corporate - Telephone/Fax Number 	<p>One certified copy each of the following documents.</p> <ul style="list-style-type: none"> (i) Certificate of incorporation (ii) Memorandum & Articles of Association (iii) Resolution of the Board of Directors for undertaking forex transactions with the AP (iv) Power of Attorney granted to its managers, officers or employees to conduct forex transactions on behalf of the corporate and their identification. (iv) PAN Card

FFMC: A Practitioners' Perspective

	(v) Telephone Bill
Establishment of business relationship-partnership firms <ul style="list-style-type: none"> - Legal name - Address - Names of all partners and their addresses - Telephone/ Fax numbers of the firm and partners 	One certified copy each of the following. (i) Registration certificate, if registered (ii) Partnership deed (iii) Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf (iv) Any officially valid document identifying the partners and the persons holding the Power of Attorney, their addresses and their signatures. (v) Telephone bill in the name of firm/ Partners.
Establishment of business relationship-trusts and foundations <ul style="list-style-type: none"> - Names of trustees settlers, beneficiaries and signatories - Names and addresses of the founder, the managers/ directors and the beneficiaries - Telephone/ Fax numbers 	One certified copy of each of the following. (i) Registration certificate, if registered (ii) Power of Attorney granted to transact business on its behalf (iii) Any officially valid document to identify the trustees, settlers, beneficiaries and those holding Power of Attorney, founders/ managers/ directors and their addresses (iv) Resolution of the managing body of the foundation/ association (v) Telephone bill

5.3.3 Monitoring of Transactions

Ongoing monitoring is an essential element of effective KYC procedures. The extent of monitoring will depend on the risk sensitivity of the transaction. Every AP should set key indicators for such transactions, taking note of the background of the customer, such as the country of origin, sources of funds, the type of transactions involved and other risk factors.

5.3.4 Risk Management

The Board of Directors of the AP should ensure that an effective KYC programme is put in place by establishing appropriate procedures and ensuring effective

KYC & AML Norms for Transactions

implementation. It should cover proper management oversight, systems and controls, segregation of duties, training and other related matters.

5.4 Requests for payment of sale proceeds in cash

To the extent of US \$ 1000 or its equivalent per transaction	All encashment within one month is treated as single transaction. For this purpose, suppose if one transaction is done on 10-07-2012, transaction carried out on 09-08-2012 will be treated as single transaction.
By foreign visitors / Non-Resident Indians	Requests acceded maximum to the extent of US \$ 3000 or its equivalent
In all other cases	All other payment in excess of Rs.50,000/- are to be made by way of 'Account Payee' cheque / demand draft only.

5.5 Principal Officer:

- (a) APs (Indian Agent) should appoint a senior management officer to be designated as Principal Officer. Principal Officer shall be located at the head/corporate office of the AP and shall be responsible for monitoring and reporting of all transactions and sharing of information as required under the law.
- (b) The role and responsibilities of the Principal Officer should include overseeing and ensuring overall compliance with regulatory guidelines on KYC/ AML/ CFT issued from time to time and obligations under the Prevention of Money Laundering Act, 2002, as amended by Prevention of Money Laundering (Amendment) Act, 2009, rules and regulations made there under, as amended from time to time.
- (c) The Principal Officer will be responsible for timely submission of CTR and STR to the FIU-IND. In terms of the PML rules, APs are required to report information relating to cash and suspicious transactions to the Director, Financial Intelligence Unit-India (FIU-IND) in respect of transactions referred to in Rule 3 at the following address:

The Director,
Financial Intelligence Unit-India (FIU-IND)
6th Floor, Hotel Samrat, Chanakyapuri,
New Delhi-110021.
Website - <http://fiuindia.gov.in/>

Chapter 6

Certain Monetary Ceilings for Transactions

6.1 Bringing in and taking out of Foreign Exchange

When foreign exchange brought in the form of currency notes or travellers' cheques does not exceed US\$ 10,000/- or its equivalent and / or the value of foreign currency notes does not exceed US\$ 5,000/- or its equivalent, declaration thereof on CDF is not insisted upon. Foreign exchange in any form can be brought into India freely without limit provided it is declared on the Currency Declaration Form (CDF) on arrival to the Custom Authorities.

6.2 Sale of foreign exchange

6.2.1 Private Visits: AMCs may sell foreign exchange up to the prescribed ceiling (currently US \$ 10,000) specified in Schedule III to the Foreign Exchange Management (Current Account Transaction) Rules, 2000 during a financial year to persons resident in India for undertaking one or more private visits to any country abroad (except Nepal and Bhutan).

6.2.2 Business visits: AMCs may sell foreign exchange to persons resident in India for undertaking business travel or for attending a conference or specialized training or for maintenance expenses of a patient going abroad for medical treatment or check up abroad or for accompanying as attendant to a patient going abroad for medical treatment / check-up up to the limits (currently US \$ 25,000 per visit) specified in Schedule III to FEMA (Current Account Transactions) Rules, 2000.

6.3 Sales against Reconversion of Indian Currency

AMCs may convert into foreign currency, unspent Indian currency held by non-residents at the time of their departure from India, provided a valid Encashment Certificate is produced.

Note (1) : AMCs may convert at their discretion, unspent Indian currency up to ₹.10,000 in the possession of non-residents if, for bonafide reasons, the person is unable to produce an Encashment Certificate after ensuring that the departure is scheduled to take place within the following seven days.

Certain Monetary Ceilings for transactions

Note (2) : ADs Category – I, ADs Category – II and FFCs may provide facility for reconversion of Indian Rupees to the extent of Rs.50,000/- to foreign tourists (not NRIs) against ATM Receipts based on the following documents.

- Valid Passport and VISA
- Ticket confirmed for departure within 7 days.
- Original ATM slip (to be verified with the original debit/ credit card).

Chapter 7

Maintenance of Records

7.1 FFMCs shall maintain the following Registers in respect of their money-changing transactions:

- (a) Daily Summary and Balance Book (Foreign currency notes / coins) in form **FLM 1**
- (b) Daily Summary and Balance Book (Travellers' cheques) in form **FLM 2**
- (c) Register of purchases of foreign currencies from the public in form **FLM 3**
- (d) Register of purchases of foreign currency notes / coins from authorized dealers and authorized money changers in form **FLM 4**
- (e) Register of sales of foreign currency notes / coins and foreign currency travellers' cheques to the public in form **FLM 5**
- (f) Register of sales of foreign currency notes / coins to authorized dealers / Full Fledged Money Changers / overseas banks in form **FLM 6**
- (g) Register of travellers' cheques surrendered to authorized dealers / authorized money changers / exported in form **FLM 7**
- (h) The Cash Transaction Report (CTR) (for each month should be submitted to the FIU-IND by 15th of the succeeding month. However, while filing CTR, details of individual transactions below Rupees 50,000 need not be furnished) and
- (i) The Suspicious Transaction Report (STR) (should be furnished within 7 days of arriving at a conclusion that any transaction, including an attempted transaction)

7.2 (i) All registers and books should be kept up-to-date, cross-checked and balances verified daily.

(ii) Transactions not pertaining to money changing business of the AMC should not be mixed up with money changing transactions. In other words, the registers and books of account should show clearly the trail of transactions pertaining to money changing business.

Maintenance of Records

- (iii) Separate registers should be maintained for each establishment, if the AMC maintains more than one place of business.
- (iv) Above documents should be preserved for a minimum period of **five years**.

Note: Inter-branch transfer of foreign currencies should be accounted as stock transfer and not as sales

7.3 APs (Indian Agent) should introduce a system of maintaining proper record of transactions prescribed under Rule 3, sub-rule (1) clause (BA) of PML Rules such as **a)** all cash transactions of the value of more than Rupees Ten Lakh or its equivalent in foreign currency **b)** all series of cash transactions integrally connected to each other which have taken place within a month and the aggregate value of such transactions exceeds Rupees Ten Lakh **c)** all transactions involving receipts by non-profit organizations of value more than Rupees ten lakh or its equivalent in foreign currency and **d)** all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and any forgery has taken place and it should be preserved for at least **ten years** from the date of transaction between the AP and the client.

Chapter 8

Periodicity of Submission of Statements to RBI

Monthly

- (i) Consolidated statement for all its offices in respect of sale and purchase of foreign currency notes in form **FLM 8**, so as to reach not later than the 10th of the succeeding month.
- (ii) Consolidated statement indicating details of receipt / purchase of US \$ **10,000** (or its equivalent) and above per transactions in the following prescribed format, within 10 days of the close of the month.

Statement of Purchase transactions of USD 10,000 and above for the month of

Date of transaction	Name and address of the person surrendering the foreign currency	Amount
		Currency/ TCs

Signature of Authorized Official with Seal

Quarterly

Statement regarding Foreign Currency Account/s maintained in India in their names with AD Category-I Banks as per the prescribed format.

Annual

- (i) Statement giving the details of the amount written off during the financial year, as per the format, within one month of the financial year-end.
- (ii) **Annual audited** balance sheet for the purpose of verification of their net owned fund along with a certificate from the statutory auditors regarding the NOF as on the date of the balance sheet.

Chapter 9

Conditions for Carrying out Concurrent Audit

9.1 FFMCs should put in place a system of Concurrent Audit of the transactions undertaken by them.

- All single branches having a turnover of more than US \$ 100,000 or equivalent per month and all multiple branch FFCs should institute a system of monthly audit.
- Single branch AMCs having turnover of less than US \$ 100,000 or its equivalent may institute a system of quarterly audit.

9.2 Appointment / selection of concurrent auditors are left to the discretion of the FFMCs.

9.3 The concurrent auditors should check all the transactions of the FFMCs and ensure that all the instructions issued by the Reserve Bank from time to time have been complied with and should check all transactions to verify that

- (i) The sale of foreign exchange has been made only on personal application and identification.
- (ii) They have been done in compliance with the KYC and anti-money laundering guidelines
- (iii) Payment in excess of Rs. 50,000 towards foreign exchange sold has been received only by account payee cheque/demand draft. (For this purpose, sales in installments, should be reckoned as a single drawal for the journey.)
- (iv) The sale of foreign currency/notes and coins are restricted within the overall entitlement of foreign exchange, should be restricted to the limits prescribed by Reserve Bank from time to time.

Compliance on the lapses, if any, recorded by the concurrent auditor should be put up to the Board. The Statutory Auditors are required to certify that the Concurrent Audit and the internal control systems are working satisfactorily.

9.4 The franchisees, i.e. the AD Category-I Banks / ADs Category-II / FFMCs, are expected to put in place adequate arrangements for reporting of

FFMC: A Practitioners' Perspective

transactions to the franchisers on a regular basis (at least monthly). Regular spot audits of all locations of franchisees, at least once in six months, should be conducted by AD Category-I Banks / ADs Category-II / FFMCs. Such audits should involve a dedicated team and '**mystery customer**' concept (individuals acting as potential customers to experience and measure the extent up to which people and process perform as they should) should be used to test the compliance level of the franchisees.

Chapter 10

Inspection by RBI

Section 12(1) of Foreign Exchange Management Act 1999, empowers any officer of Reserve Bank specially authorized in this behalf to inspect the books and accounts and other documents of AMCs. The AMCs should provide all assistance and co-operation to Inspecting Officers in carrying out their inspection. Failure to produce any books of account or other document or to furnish any statement or information or to answer any question relating to the money changing transactions to the Inspecting Officers, shall be deemed to be a contravention of the provisions of the Act *ibid*.

Irregularities generally pointed out by the I.O are:

- (1) System of Concurrent Audit not put in a place / concurrent audit not taking place as per the periodicity
- (2) Foreign exchange rate chart not displayed at a prominent place / not updated regularly
- (3) Forex transactions within one month not treated as a single transaction
- (4) FLM-1 show negative balance of FE
- (5) List of authorized persons not kept on record / Name of principal officer not conveyed to FIU-IND
- (6) Copies of A.P.(Dir FL / RL series) Circulars issued from time to time not available.
- (7) Payment more than 1000 USD made in cash instead of account payee cheque.
- (8) Where the amount of forex tendered for encashment by a non-resident or a person returning from abroad exceeds the limits prescribed for Currency Declaration Form (CDF), the CDF not kept on record.

Chapter 11

Renewal Procedures

Applications for renewal should be submitted along with the documents, mentioned below.

- (1) Original License issued earlier
- (2) A copy of the latest audited balance sheet
- (3) Net Owned Fund Statement certified by the Chartered Accountant
- (4) Confidential Report of the banker as per format
- (5) Declaration for non-involvement in ED/DRI criminal cases on company's letter head, dated, stamped and signed as per format
- (6) Chartered Accountant's certificate for compliance with AML guidelines, Concurrent Audit System and Internal Control as per Format
- (7) Shop & Establishment licence duly updated
- (8) Submission of KYC policy based on new KYC guidelines issued by RBI vide A.P (DIR Seties) Circular No. 17 dated November 27, 2009
- (9) Fit & Proper Criteria together with details of Board of Directors with proper and correct details of shareholding
- (10) List of directors and shareholders with the details of shareholdings (As per format)
- (11) Details of branches/franchisees (As per format)

Note:-An application for the renewal of a money-changer's licence shall be made not later than one month, or such other period as the Reserve Bank may prescribe, before the expiry of the licence. Where a person submits an application for the renewal of his money changer's licence, the licence shall continue in force until the date on which the licence is renewed or the application is rejected, as the case may be. No application for renewal of a money-changer's licence shall be made after the expiry of the licence.

Chapter 12

Applicability of Tax Audit U/s 44 AB of the Income Tax Act

The provision relating to tax audit applies to every person carrying on business, if his total sales, turnover or gross receipts in business exceed Rs. 100 lakhs and to a person carrying on a profession, if his gross receipts from profession exceed Rs. 25 lakhs in any previous year.

However, the term "sales", "turnover" or "gross receipts" are not defined in the Act, and therefore the meaning of the aforesaid terms has to be considered for the applicability of the section.

In the "Guidance Note on Terms Used in Financial Statements" published by the Institute, the expression "Sales Turnover" (Item 15.01) has been defined as under :-

"The aggregate amount for which sales are effected or services rendered by an enterprise. The term 'gross turnover' and 'net turnover' (or 'gross sales' and 'net sales') are sometimes used to distinguish the sales aggregate before and after deduction of returns and trade discounts".

Under Sale of Goods Act, "goods means every kind of movable property but excludes money and therefore, transactions in foreign exchange do not fall under scope of sale."

A question may arise as to whether the sales by a money changer forms part of the turnover?

The Money changer purchases the foreign currency at the price quoted for purchase of foreign currency and / or sale of foreign currency at price quoted for sale of foreign currency. The difference between the two represents the gross profit / Gross Income of the money changer. The sale price or a purchase price (i.e. quoted selling rate x foreign currency sold / quoted purchased rate x foreign currency purchased) are mentioned in the certificate of encashment documents given to the seller / purchaser of the foreign currency and the profit is not shown separately.

It will also be necessary to find out, whether the property in the goods or all significant risks, reward of ownership of goods gets transferred?

FFMC: A Practitioners' Perspective

In my view, Money changers are licensed by the Reserve Bank of India in terms of Sec 10 of FEMA 1999 for the purpose of undertaking activities covered under the said section and their activity of dealing in foreign currency is subject to conditions imposed by RBI. RBI may revoke the license if failed to comply with any of the condition.

Thus, it is clear that the money changers are dealing in foreign currency as licenses of RBI but not as agents. And the property in the goods or all significant risks and rewards of ownership of goods continue to belong to the FFMCs, therefore the relevant sale price shall form part of the sales / turnover of the money changer and not the total amount of the difference between buying and selling rate to consider the prescribed limits under section 44AB of the Income Tax Act. It will be subject to the Tax audit.

Chapter 13

Applicability of Service Tax

Finance Act 2008, has brought services pertaining to purchase or sale of foreign currency including money changing into the service tax net.

After negative list regime, the liability of service tax on the transactions of FFCs, can be summarised as under:

W.e.f 1/7/2012, clause (a) of Section 65B(44) excludes the transaction in money or actionable claim from the definition of "service".

Explanation 1A of Section 65B(44) clarifies that transaction in money shall not include any activity relating to use of money or its conversion by cash or by any other mode from one form of currency or denomination to another form of currency or denomination for which separate consideration is charged.

Therefore conversion of foreign currency into rupee and vice versa for which separate consideration is charged will not be a taxable service.

Regarding liability of service tax on the transactions of FFCs, the position stands twofold:

- (a) Under clause (n) (ii) of Section 66D, services of inter se sale or purchase of foreign currency amongst banks or authorized dealers of foreign exchange or amongst banks and such dealers, is specified as non-taxable service.
- (b) Service of other purchase and sale of foreign currency, including money changing (other than amongst banks, authorised dealers and amongst banks and such dealers) are taxable.

Determination of Value of Service in case of taxable service has also been explained in CBEC's Guidance Note No. 8.3 to 8.3-4.:

A service provider has an option to pay service tax calculated at the rates prescribed under Rule 6 (7B) of the service tax Rules as amended w.e.f 1/4/2011.

Gross Amount of Foreign Currency Exchanged	Rate of Service Tax	Minimum Amount of Service Tax
Up to ₹ 1,00,000	0.12% of Gross Amount	₹ 30
FROM ₹ 1,00,001 TO ₹ 10,00,000	₹. 120 plus 0.06% of Gross Amount	₹ 120
₹ 10,00,001 and above	₹. 660 plus 0.012% of Gross Amount	₹ 660 ₹ 6000 (Maximum)

OR

Alternatively, A service provider has an option to pay service tax calculated at the rates prescribed under Rule 2B of Service Tax (Determination of Value) Rules 2011 as inserted w.e.f. 1/4/2011. And pay tax calculated at full rate (i.e 12.36% presently).

Situation	Determination of value as per Rule 2B	Examples
If RBI reference rate is available for a currency when exchanged from or to INR	Units of currency exchanged x (RBI RR for the currency exchanged - BR/SR)	1000 USD sold by the customer = Selling rate (SR) = INR 45 for 1 USD RBI Ref. Rate (RBI RR) = 45.50 Taxable value = 1000 x [45.50 - 45] = ₹ 500
If RBI Reference rate is not available	1% of the value of money exchanged in Indian rupees	1000 USD sold by the customer = Selling rate (SR) = INR 45 for 1 USD Taxable value = 1% of [1000 x 45] = ₹ 450
When both currencies are not Indian rupees	1% of the lesser of the amounts receivable if the two currencies are	1000 USD are changed to 650 GBP by the customer = RBI ref.

Applicability of Service Tax

	converted at RBI Reference rate	Rate (RBI RR) for USD = 45 and GBP = 72 Taxable value = lower of 1% of [1000 USD x 45] = ₹ 450 or 1% of [650 GBP x 72] = ₹ 468 i.e ₹ 450
--	------------------------------------	---

The proviso to rule provides that the service provider shall exercise the option for the financial year and such option shall not be withdrawn during the remaining part of the financial year.

Chapter 14

Miscellaneous

14.1 Display of Exchange Rate Chart

FFMCs should display at a prominent place in or near the public counter, a chart indicating the rates for purchase/sale of foreign currency notes and travellers' cheques for all the major currencies and the card rates for any day, should be updated, latest by 10:30 a.m.

14.2 Write-off of fake foreign currency notes

In the event of foreign currency notes purchased being found fake/forged subsequently, FFMCs may write-off up to US \$ 2000 per financial year after approval of their Top Management after exhausting all available options for recovery of the amount. Any write-off in excess of the above amount would require the approval of the Regional Office concerned of the Foreign Exchange Department of the Reserve Bank.

14.3 Employees' Training

APs must have an ongoing employee training programme so that the members of the staff are adequately trained to be aware of the policies and procedures relating to prevention of money laundering, provisions of the PMLA and the need to monitor all transactions to ensure that no suspicious activity is being undertaken under the guise of money changing.

14.4 Foreign Currency Balances

- (i) AMCs should keep balances in foreign currencies at reasonable levels and avoid build up of idle balances with a view to speculating on currency movements.
- (ii) Franchisees should surrender foreign currency notes, coins and travellers' cheques purchased only to their franchisers within seven working days.
- (iii) The transactions between authorized dealers and FFMCs should be settled by way of account payee crossed cheques/ demand drafts. Under no circumstances should settlement be made in cash.

Appendix

ECF

(To be issued on official letter head
indicating name and address)

(Valid for three months from
the date of purchase of foreign
currency)

RBI Licence No.

Encashment Certificate

Serial No.

Date:

We hereby certify that we have purchased today foreign currency from
..... holder of Passport No.

(Name of the person)

Nationality and paid rupee equivalent as per
details given below:

A. Details of Foreign Currency Notes/Coins/Travellers Cheques Purchased

Currency purchased (indicating clearly notes/coins and travellers cheques separately)	Amount	Rate	Rupee equivalent	Stamp and Signature of authorised dealer/full- fledged money changer
(1)	(2)	(3)	(4)	(5)
Notes/ Coins: Travellers Cheques:				
		Total Rs.		

Cash / Cheque No. ----- Date ----- ₹ ----- Others -----

Note: This certificate should be preserved by the holder to facilitate
reconversion of the rupee balance, if any, into foreign currency at the time of
departure from India.

CM

Name and address of the Money-changer (Official letter-head of the money-changer should be used)

RBI Licence No.:

Cash Memo

Serial No.:

Date:

We have sold today foreign currency to
..... holder of Passport No.....

(Name of the person)

Nationality.....proceeding to.....against Indian rupees as per details
(destination)

given below:

Details of foreign currency notes/coins sold

Currency sold	Amount	Rate	Rupee equivalent
(1)	(2)	(3)	(4)

Total ₹

Total amount in words:.....

Receipt Particulars Cash / Cheque No. ----- Date -----

₹ ----- Others -----.

Signature of Purchaser

Stamp

(Signature of Authorised Official)

Name:

Designation:

**Application Form for FFMC licence under section 10(1) of
FEMA, 1999**

1.	Full name of the applicant	
2.	Address in full	
3.	Name of location/s to where the applicant proposes to conduct Money Changing Business (Please enclose copies of the Licences under Shops and Establishment Act)	
4.	(a) Date of establishment of the company (b) Name/s and address/es of the Directors of the company	
5.	Copy of the Certificate of Registration (Certificate of Incorporation & Certificate of Commencement of Business) of the company	
6.	Copy of Memorandum of Association together with a letter indicating the clause which provides for taking up money changer's business.	
7.	Confidential report from the applicant's bank/s in CIR format.	
8.	Net Owned Funds A copy of the latest Audited Balance Sheet of the applicant company together with a certificate from their Statutory Auditors certifying their Net Owned Funds as on the date of application and calculation thereof is to be enclosed.	₹
9.	Declaration to the effect that the company or any of its directors are not under investigation/adjudication of any law enforcing agencies, such as DoE/DRI and also that no criminal proceedings filed by Crime Investigation Agencies are pending against the company or any of its directors.	
10.	Undertaking to post competent staff to handle the money changer's business.	
11.	Name, designation of persons authorised to deal in foreign exchange.	
13.	A brief write up of the activities of the applicant/nature of business.	
14.	Whether the applicant had applied earlier for FFMC / RMC licence. If so, the particulars thereof.	
15.	Any other particulars / special reasons the applicant may wish to state in support of the application.	

We undertake that in the conduct of money changing business, we shall at all time abide by the rules/regulations/orders/directions/notifications which Reserve Bank may from time to time issue in this behalf.

Place:

Date: _____ Signature of the applicant with seal

Enclosures:

1. Bankers' confidential report 2. Attested copies of audited accounts for the past 3 years

Date:

It is certified that the company has maintained Net Owned Fund of not less than Rs. 25 lakh on day-to-day basis since _____ (Mention the date of last renewal of licence) till today as required by RBI.

Calculation of Net Owned Fund

Calculation of owned fund

Owned Fund

Paid-up Capital

Add: Free Reserves

Add: Credit Balance in Profit & Loss Account _____

Less: Accumulated balance of loss

Less: Deferred Revenue Expenditure

Less: Other Intangible Assets _____

Owned Fund as on ____/____/____

Calculation of New Owned Fund

Net Owned Fund

Owned Fund

Less: the amount of investment in shares of its subsidiaries, companies in the same group, all (other) non-banking financial c companies as also the book value of debentures, bonds, outstanding loans and advances made to and deposits with its subsidiaries and companies in the same group in excess of 10% of Owned Fund _____

FFMC: A Practitioners' Perspective

Net Owned Fund as on ___/___/_____

NOF certificate must certify the maintenance of NOF on daily basis by the company as follows:

STRICTLY PRIVATE AND CONFIDENTIAL

CREDIT INFORMATION REPORT

(Bank may please fill all the columns of this form with due care)

- 1 Name :
- 2 Address :
- 3 Constitution :
- 4 Type of account :
- 5 Account number :
- 6 Banking since no. of years :
- 7 Nature of business activities :
- 8 Experience as to their dealings :
(brief write up)

Date (MUST):

Place (MUST):

Details of Branches and Franchisees

Name of FFMC:

Number of branches: NIL

S. No	Full Address of branch	Tel Number and e-mail address	Date of approval of RBI for branch

Number of franchisees: NIL

S. No	Name and full address of franchisee	Tel Number and e-mail address	Date of approval of RBI for branch for first franchisee and date of informing RBI for subsequent franchisees

Name of signatory:

Date:

Designation: Director

Place:

Company:

Stamp of company

FLM 1

Date:

Daily Summary and Balance Book

(Foreign Currency notes/coins)

	Pound Sterling	U.S. Dollar	Euro	Yen	Other (Pl. specify)
I. Opening Balance					
II. Add: Purchases					
(i) Purchases from the public					
(ii) Purchases from authorized dealers, money-changers and franchisees					
(iii) Import from abroad for replenishment of stock					
Total purchases					
Total (I + II) III. Less Sales:					
(i) Sales to public					
(ii) Sales to authorized dealers/full-fledged money changers					
(iii) Despatched abroad for realization					
Total Sales					
IV. Closing Balance (I + II - III)					

N.B: In cases where forged notes etc. are detected, the closing balance may be adjusted with remarks indicating the amount and the reasons for writing off.

Date:

Name:

Designation:

FLM 3

Register of purchases of foreign currencies from the public

Date	Sr. No.	Name of the tenderer	Nationality & Full Address	Details of Identification documents	Pound Sterling	U.S. Dollar	Euro
1.	2.	3.	4.	5.	6.	7.	8.

Japanese Yen	Others (Pl. specify)	Rate	Rupee Equivalent	Encashment certificate No. and date	Remarks
9.	10.	11.	12.	13.	14.

Notes:

- (1) If the money-changer is dealing in a large number of currencies, two or more registers currency-wise or otherwise may be maintained, as convenient.
- (2) If travellers cheques are purchased, the prefix, "TC" may be indicated in the amount column.
- (3) If more than one currency is purchased from the same tenderer, separate entries may be made.

Date :

Name :

Designation :

FLM 4

Register of purchases of foreign currency notes/coins from Authorised dealers and authorised money-changers

Date	Sr. No.	Name and address of the authorised dealer/ authorised money-changers from whom purchased	Currency	Amount	Rate	Rupee equivalent	Remarks
1.	2.	3.	4.	5.	6.	7.	8.

Date :

Name :

Designation :

FLM 5

Register of sales of foreign currencies to the public

Date	Sr. No.	Name of the tenderer	Nationality & Full Address	Details of identification Document	Name of the sponsoring Organisation	Country/ies of visit	Purpose of visit	Duration of stay abroad (No. of days)
1.	2.	3.	4.	5.	6.	7.	8.	9.

Particulars of foreign currency notes/coins/TCs/pre-paid cards			Rate	Rupee equivalent	Commission charge, if any	Total amount received		Cash Memo No. & Date	Remarks
Name of currency	Amount in Notes/coins	Amount in TCs/cards				By Cash	By Cheque		
10.	11.	12.	13.	14.	15.	16.	17.	18.	19.

Notes:

- (1) If the money-changer is dealing in a large number of currencies, two or more registers currency-wise or otherwise may be maintained, as convenient.
- (2) If more than one currency is sold, separate entries may be made
- (3) The columns 6 and 9 to be filled in case of release of exchange for business purpose

Date :

Name :

Designation :

FLM 6

Register of sales of foreign currency notes/coins to authorised dealers / full fledged money changers/overseas banks

Date	Sr. No.	Name and address of the authorised dealer/full fledged Money changer/ overseas bank to whom sold	Currency	Amount	Rate	Rupee Equivalent received	Remarks
1.	2.	3.	4.	5.	6.	7.	8.

Note: Necessary entries in the register should be made before the funds are taken out of the premises, not after delivery of funds.

Date :

Name :

Designation :

FLM 7

Register of travellers cheques surrendered to authorised dealers/authorised money changers/exported

Date	Sr. No.	Name and address of the Authorised dealer/authorised money changer/TC issuer/authorized agent to whom sold	Travellers cheque No.(s)	Amount	Rate	Rupee Equivalent received	Remarks
1.	2.	3.	4.	5.	6.	7.	8.

Date :

Name :

Designation :

FLM 8

(For FFMCs)

Summary statement of purchases and sales of foreign currency notes
during the month of 20Name and address
of money changer

RBI Licence No.

	USD	GBP	EURO	JPY	Others (Specify)
A. Opening balance					
Purchases of foreign currency notes from					
(a) Public					
(b) RMCs/FFMCs/ADs including imports.					
(c) Agents/Franchisees					
B. Total Purchases (a) + (b) + (c)					
Sales of foreign currency notes under					
(a) BTQ					
(b) Business Visits					
(c) Sales to other FFMCs/ADs including exports					
C. Total Sales [(a) + (b) + (c)]					
Closing balance (A+B - C)					

We hereby certify that the statement is a true and correct account of all transactions undertaken during the month in accordance with the Foreign Exchange Regulations.

(Signature of Authorized Official)

Stamp

Place:

Date:

Name :

Designation:

Statement showing summation of Foreign Currency Account opened in India out of export proceeds of Foreign Currency Notes/ encashed Travellers' Cheques for the quarter ended

(Value in USD)

Opening Balance in the Account	Value of foreign currency notes/ encashed TCs exported	Amount realized in foreign currency	Of Column 3 amount credited to Foreign Currency Account	Amount remitted to TC issuing organization from TCs sold/ Debited for purchase of foreign currency notes from ADs	Maximum balance maintained on any day in the foreign currency account during the quarter	Closing balance in the Foreign Currency Account	Remarks
1.	2.	3.	4.	5.	6.	7.	8.

Certified that the above particulars are correct as per our records. Name and address of the AD Category - I

Signature of Authorized Official of the AD Category - I with Seal

Statement of the amount of foreign currency written off during the financial year ended

Name of the FFMC/ AD Category-II :

A. Total amount written-off (in equivalent USD):

B. Details of the amount written-off:

Sr. No.	Date of write-off	Amount of foreign currency (with currency-wise break-up)	On account of*	Approved by FFMC/AD Category-II/ Reserve Bank
1.	2.	3.	4.	5.
		Total :		

* Please indicate whether on account of being found to be fake or forged/ theft/lost in transit, etc.

Signature of Authorized Official with Seal

List of A. P.(DIR Series) Circulars Referred to and can be useful in understanding the Instructions governing money changing activities

Sl. No.	A.P.(DIR Series) Circular	Date
1.	A.P. (DIR Series) Circular No. 43 [A.P.(FL Series) Circular No. 1]	November 12, 2002
2.	A.P. (DIR Series) Circular No.57[A.P.(FL/ RL Series) Circular No. 04]	March 9, 2009
3.	A.P. (DIR Series) Circular No.06 [A.P.(FL/ RL Series) Circular No. 01]	August 3, 2009
4.	A.P. (DIR Series) Circular No. 17 [A.P.(FL Series) Circular No. 04]	November 27, 2009
5	A.P.(DIR Series) Circular No.18 [A.P.(FL Series) Circular No. 01]	November 25, 2010
6	A.P. (DIR Series) Circular No.20 [A.P. (FL/RL Series) Circular No.03]	November 30, 2010
7	A.P. (DIR Series) Circular No.24 [A.P. (FL/RL Series) Circular No.05]	December 13, 2010
8	A.P. (DIR Series) Circular No.25 [A.P. (FL/RL Series) Circular No.06]	December 22, 2010
9	A.P. (DIR Series) Circular No.27 [A.P. (FL/RL Series) Circular No.08]	December 22, 2010
10	A.P. (DIR Series) Circular No.40 [A.P. (FL/RL Series) Circular No.10]	January 25, 2011
11	A.P. (DIR Series) Circular No.49 [A.P. (FL/RL Series) Circular No.11]	April 06, 2011
12	A.P. (DIR Series) Circular No.51 [A.P. (FL/RL Series) Circular No.13]	April 06, 2011
13	A.P. (DIR Series) Circular No.61	May 16, 2011
14	A.P. (DIR Series) Circular No.63	May 20, 2011
15	A.P. (DIR Series) Circular No.65	May 20, 2011
16	A.P.(DIR Series) Circular No.21	September 19, 2011
17	A.P.(DIR Series) Circular No.23	September 19, 2011
18	A.P.(DIR Series) Circular No.31	October 03, 2011

Appendix

19	A.P.(DIR Series) Circular No.33	October 12, 2011
20	A.P.(DIR Series) Circular No.38	October 25, 2011
21	A.P.(DIR Series) Circular No.41	November 01, 2011
22	A.P.(DIR Series) Circular No.60	December 22, 2011
23	A.P.(DIR Series) Circular No.71	January 30, 2012
24	A.P.(DIR Series) Circular No.77	February 15, 2012
25	A.P.(DIR Series) Circular No.86	February 29, 2012
26	A.P.(DIR Series) Circular No.104	April 04, 2012
27	A.P.(DIR Series) Circular No.107	April 17, 2012
28	A.P.(DIR Series) Circular No.109	April 18, 2012
29	Master Circular No. 10/2012-13	July 02, 2012

Standard Swift Codes for Various Foreign Currencies

Sr.	Country	Desc	Code	Sr.	Country	Desc	Code	Sr.	Country	Desc	Code
1	Afghanistan	Afghani	AFA	44	Falkland Islands	Pound	FKP	87	Nepal	Rupee	NPR
2	Albania	Lek	ALL	45	Fiji Islands	Dollar	FJD	88	New Zealand	Dollar	NZD
3	Algeria	Dinar	DZD	46	Gabon	CFA Franc	XAF	89	Nicaragua	Gold Cordoba	NIO
4	Angola	Kwanza	AON	47	Gambia	Dalasi	GMD	90	Niger Rep	CFA Franc	XOF
5	Argentina	Peso	ARS	48	Ghana	Cedi	GHC	91	Nigeria	Naira	NGN
6	Armenia	Dram	AMD	49	Gibraltar	Pound	GIP	92	Oman, Sultanate of	Rial	OMR
7	Bahama Islands	Dollar	BSD	50	Guatemala	Quetzal	GTQ	93	Pakistan	Rupee	PKR
8	Bahrain	Dinar	BHD	51	Guinea Republic	Franc	GNF	94	Panama	Balboa	PAB
9	Bangladesh	Taka	BDT	52	Guyana	Dollar	GYD	95	Paraguay	Guarani	PYG
10	Barbados	Dollar	BBD	53	Haiti	Gourde	HTG	96	Peru	New Sol	PEN
11	Belarus	Rouble	BYB	54	Honduras Rep.	Lempira	HNL	97	Philippines	Peso	PHP
12	Belize	Dollar	BZD	55	Hong Kong	Dollar	HKD	98	Poland	Zloty	PLN
13	Benin	CFA Franc	XOF	56	Hungary	Forint	HUF	99	Qatar	Rial	QAR
14	Bermuda	Dollar	BMD	57	Iceland	Krona	ISK	100	Romania	Leu	ROL
15	Bolivia	Boliviano	BOB	58	Indonesia	Rupiah	IDR	101	Russia	Rouble	RUR
16	Botswana	Pula	BWP	59	Iran	Rial	IRR	102	Rwanda	Franc	RWF
17	Brazil	Real	BRL	60	Iraq	New Dinar	IQD	103	St. Helena	Pound	SHP
18	Brunei	Dollar	BND	61	Israel	New Shekel	ILS	104	St. Lucia	East Carib.	XCD
19	Bulgaria	Lev	BGL	62	Jamaica	Dollar	JMD	105	St. Vincent	East Carib.	XCD
20	Burkina Faso	CFA Franc	XOF	63	Jordan	Dinar	JOD	106	Saudi Arabia	Rial	SAR
21	Myanmar (Burma)	Kyat	MMK	64	Kazakhstan	Tenge	KZT	107	Senegal	CFA Franc	XOF
22	Burundi	Franc	BIF	65	Kenya	Shilling	KES	108	Seychelles	Rupee	SCR

Appendix

23	Cambodia	Rial	KHR	66	Korea (North)	Won	KPW	109	Sierra Leone	Leone	SLL
24	Cameroon Rep.	CFA Franc	XAF	67	Korea (South)	Won	KRW	110	Singapore	Dollar	SGD
25	Central African Rep.	CFA Franc	XAF	68	Kuwait	Dinar	KWD	111	Slovakia	Euro	EUR
26	Chad	CFA Franc	XAF	69	Lao Peo' Dem. Rep.(Laos)	New Kip	LAK	112	Slovenia	Euro	EUR
27	Chile	Peso	CLF	70	Lebanon	Pound	LBP	113	Somali Republic	Shilling	SOS
28	China. (Mainland)	Yuan (renminbi)	CNY	71	Lesotho	Maluti	LSL	114	South Africa	Rand	ZAR
29	Colombia	Peso	COP	72	Liberia	Dollar	LRD	115	Sri Lanka	Rupee	LKR
30	Congo (PR)	C F A Franc	XAF	73	Libya	Dinar	LYD	116	Sudan	Sudanese Pound	SDG
31	Congo DR (Zaire)	Congolese Francs	ZRN	74	Lithuania	Litas	LTL	117	Surinam	Surinam dollar	SRG
32	Costa Rica	Colon	CRC	75	Madagascar	Franc	MGF	118	Swaziland	Lilangeni	SZL
33	Croatia	Kuna	HRK	76	Malawi	Kwacha	MWK	119	Syrian Arab Rep.	Pound	SYP
34	Cuba	Peso	CUP	77	Malaysia	Ringgit	MYR	120	Taiwan	Dollar	TWD
35	Cyprus	Euro	EUR	78	Maldives	Rufiya	MVR	121	Tanzania	Shilling	TZS
36	Czech Rep.	Koruna	CZK	79	Mali Rep. of	CFA Franc	XOF	122	Thailand	Baht	THB
37	Djibouti Rep.	Franc	DJF	80	Malta	Euro	EUR	123	Togo Republic	CFA Franc	XOF
38	Dominican Rep.	Peso	XCD	81	Mauritania	Ouguiya	MRO	124	Tonga Islands	Pa'anga	TOP
39	Ecuador	Sucre	ECS	82	Mauritius	Rupee	MUR	125	Trinidad & Tobago	Dollar	TTD
40	Egypt	Pound	EGP	83	Mexico	Peso	MXN	126	Tunisia	Dinar	TND
41	El Salvador	Colon	SVC	84	Mongolia	Tugrik	MNT	127	Turkey	New Lira	TRL
42	Equatorial Guinea	CFA Franc	XAF	85	Morocco	Dirham	MAD	128	Uganda	Shilling	UGX
43	Ethiopia	Birr	ETB	86	Namibia	Rand	ZAR	129	Ukraine	Hryvnia	UAH

Standard Swift Codes for Various Foreign Currencies

Sr.	COUNTRY	DESC	Code
130	United Arab Emirates (UAE)	Dirham	AED
131	Uruguay	Peso	UYU
132	Uzbekistan	Sum	UZS
133	Venezuela	Bolivar Fuerte	VEB
134	Vietnam	Dong	VND
135	Western Samoa	Tala	WST
136	Yemen	Rial	YER
137	Zambia	Kwacha	ZMK
138	Zimbabwe	Dollar	ZWD
139	Asian Clearing Union	ACU	---
140	Australia	Dollar	AUD
141	Canada	Dollar	CAD
142	Denmark	Kroner	DKK
143	European Union	EURO	EUR
144	Japan	Yen	JPY
145	Norway	Krone	NOK
146	Sweden	Krona	SEK
147	Switzerland	Swiss Franc	CHF
148	United Kingdom	Pound Sterling	GBP
149	U.S.A.	Dollar	USD

Feedback Page

This is the first edition of the book on FFMC by the Committee, and obviously, therefore there is scope for improvement. We intend to make it as useful as possible in its present format. The Committee, therefore, hopes to keep updating this Referential Book on a regular basis in order to make it more functional.

We solicit comments and suggestions from practitioners and others to improve the usefulness of the Referential Book. In particular, we will welcome the views of the practitioners on enhancement of their knowledgebase.

Your valuable inputs may be sent to ccbcaf@icai.org.

The Secretary
Committee for Capacity Building of CA Firms and Small & Medium
Practitioners, (CCBCAF & SMP)
The Institute of Chartered Accountants of India
Indraprastha Marg,
New Delhi-110002