

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2434
ANSWERED ON:25.07.2014
FOREIGN INWARD REMITTANCE
Charitra Shri Ram

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has allowed money transfer directly into beneficiaries bank accounts;
- (b) if so, the details thereof;
- (c) whether the RBI instructed that the partner bank should appropriately mark the direct to account remittances to indicate to the recipient bank that it is a foreign inward remittance; and
- (d) if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance (SMT. NIRMALA SITHARAMAN)

(a) & (b) Reserve Bank of India (RBI) has informed that it monitors two inward remittance schemes namely, "Rupee Drawing Arrangement (RDA)" and "Money Transfer Remittance Scheme (MTSS)". Under RDA, the remittances flow into the bank account of the beneficiary. Under MTSS, the payment can be in cash (up to a maximum of INR 50,000/-), by draft and also by account credit. In order to facilitate receipt of foreign inward remittances directly into the bank account of the beneficiary, RBI has recently permitted to allow foreign inward remittances received under RDA and MTSS to be transferred to Know Your Customer (KYC) compliant beneficiary bank account, maintained with any bank, through electronic mode, such as National Electronic Fund Transfer (NEFT), Immediate Payment Service (IMPS) etc.

(c) & (d): Yes. Under the above two schemes (RDA and MTSS), RBI has instructed that the partner bank should appropriately mark the direct to account remittances to indicate to the recipient bank that it is a foreign inward remittance.