

Application for obtaining permission to enter into Rupee / Foreign Currency Drawing Arrangements with Exchange Houses

(a) The application for obtaining permission to enter into Rupee / Foreign Currency Drawing Arrangements with Exchange Houses should be completed and submitted in the prescribed format (given below), to the Principal Chief General Manager, Foreign Exchange Department, Forex Markets Division, Reserve Bank of India, Central Office, Mumbai- 400001. The application should be signed by the General Manager (or an officer of equivalent rank), International Banking Division/ Foreign Department of the applicant AD Category-I bank.

(b) Documentation:

AD Category-I banks should submit the following documents along with the application:

- (i) Certified copy of the license (English version) issued by the Central Bank/ any other Supervisory Authority of the country where the Exchange House is situated.
- (ii) Certified copy/ ies of license(s) issued by Municipal Authorities and / or any other Government regulatory/ controlling authority in the country of the Exchange House. (applicable to the Exchange Houses in U.A.E.)
- (iii) A Certificate from a Chartered Accountant, regarding compliance with Know Your Customer/Anti Money Laundering/Combating the Financing of Terrorism norms in the home country by the Exchange House.
- (iv) Certified copies of confidential opinion/ report recorded by (a) Embassy of India in the country concerned and (b) two bankers of the Exchange House.
- (v) Audited Balance Sheets and Profit and Loss Account Statements of the Exchange House for the previous three years.
- (vi) Copy of the Board Resolution of the AD Category-I bank for entering into the arrangement.
- (vii) Copy of letter from the Exchange House regarding the proposal to enter into the Rupee/ Foreign Currency Drawing Arrangement along with the provision of collateral, wherever necessary.

Part I- Particulars of the applicant bank and its existing arrangement(s), if any

1.	Name of the applicant bank	
2.	Existing arrangements(s) (i) Name of Exchange House (EH) (ii) Since (iii) No. of drawee branches (iv) Business turnover for the previous three calendar years	
3(a)	Details of branches having multiple EH drawing arrangements	
3(b)	Furnish comments with regard to adequacy of internal control systems put in place at those branches. (Attach a sheet if necessary)	
4.	Financial losses sustained if any during last five years (April-March) (i) Year (ii) Name of the EH (iii) Amount of loss (iv) Particulars of loss (v) Ref. Nos. and dates lodged with RBI and RBI's permission to write off	
5.	Financial disputes if any with EH(s) pending settlement (i) Name of EH (ii) Expected amount of loss (iii) Particulars of loss (iv) Ref. No. & dated of report lodged with RBI	
6.	Furnish an EH-wise summary of the major irregularities observed in the existing drawing arrangements during inspections by Internal Auditors, RBI Inspectors as also Overseas Auditors indicating the corrective measures initiated by the bank.	

Part II- Particulars of the Exchange House for the proposed drawing arrangement

1(a)	Name and address of the Exchange House with which the bank proposes to enter into RDA	
(b)	Date of establishment of the EH	
(c)	Furnish details of other Group companies of EH viz. name, management control, financial means and standing, etc.	
2(a)	Whether the EH has operative RDA with any other bank in India?	
(b)	If yes, state the name/s of the bank/s	
3.	<p>Furnish details of the management structure of the EH:</p> <p>(a) Status of EH (company, firm, joint-ventures, etc.)</p> <p>(b) With whom the management vests</p> <p>(c) Name, nationality and line of business of the promoters of the EH</p> <p>(d) Capital holding pattern</p> <p>(e) Whether the applicant bank will have any investment in EH? Furnish complete details</p> <p>(f) Whether the applicant bank will have any role in management of EH.? Furnish details</p>	
4.	Profit earned/loss sustained by the EH during the previous three calendar years	
5.	<p>Particulars of license issued by the Central Bank/ Supervisory Authority of the country concerned :</p> <p>a) License No</p> <p>b) Date of issue</p> <p>c) Validity period</p> <p>d) Special conditions, if any</p>	
6.	<p>Particulars of licenses issued by Municipal Authorities and/or any other Government regulatory/ controlling authority (Applicable to EHs in UAE)</p> <p>a) License No</p> <p>b) Date of issue</p> <p>c) Validity period</p> <p>d) Special conditions if any</p>	

7.	Confidential opinion in brief recorded by a) Embassy of India in the country b) Bankers of the EH i) ----- Name of the banker ii) ----- Name of the banker	
8.	Is the applicant bank fully satisfied about a) the competence of the company/firm/people managing the EH b) the financial strength of the shareholders of the EH c) the financial strength of the EH d) the internal control systems operating in EH with regard to issue of drafts?	
9.	Furnish details of collateral arrangements negotiated with the EH (viz.. amount of deposit, bank guarantee, etc.) and the justification thereof	

Part III- Details of the proposed arrangement

1.	Details/description of proposed arrangement	
2(a)	Reasons for entering into RDA	
(b)	Projections of business turnover (quantify monthly projections)	
3.	The procedure under which the proposed RDA will be conducted (DDA/Non-DDA/Speed)	
4.	Name and address of the account maintaining Branch	
5.	No of drawee branches to be included in the proposed RDA	
6.	Whether EH is prepared to provide additional collateral cover equivalent to 7 days' projected drawings? (Applicable to EHs which have not completed three years of its operations)	
7.	Any other information which the bank wishes to furnish in support of this application	

We hereby certify that –

i) the proposed arrangement with..... has been considered by us carefully taking into account the means and standing of the aforesaid EH and we are fully satisfied about the credentials and competence of the persons / firms / companies associated with the EH.

(ii) our branches already having DD drawing arrangements with other EH(s) and which are now proposed to be covered under the proposed arrangement with the above EH viz..... have sufficient expertise to handle business emanating from one more EH.

iii) We have put in place adequate internal control and risk management system which are working satisfactorily.

iv) The particulars given above are true and correct to the best of our knowledge and belief.

()
General Manager
Address

Place

Date