

To,

All Authorised Persons in Foreign Exchange,

Madam/Sir,

Anti-Money Laundering Guidelines

Attention of Authorised Persons is invited the Anti-Money Laundering guidelines for Authorised Money Changers issued vide A. P. (DIR Series) Circular No.18 {A.P. (FL Series) Circular No.01} dated December 2, 2005. In view of the difficulties expressed by Authorised Money Changers (AMCs) in implementing some of the guidelines, it has been decided to amend certain instructions of the aforementioned circular. The amended instructions are given in the Annex.

2. The Anti-Money Laundering Guidelines issued to Authorised Money Changers vide the above A.P. (DIR Series) Circular No.18 dated December 02, 2005 and any subsequent amendments thereto would be applicable, mutatis mutandis, to Authorised Dealers - Category I and II in respect of their money changing transactions.

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

4. Necessary amendments to the Memorandum of Instructions to Authorised Money Changers are being issued separately.

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

Yours faithfully,

M. Sebastian
Chief General Manger

Annex
[Annex to A. P. (DIR Series) Circular No. 39 dated June 26, 2006]

Paragraph No. [cf. A. P. (DIR Series) Circular No.18 {A.P. (FL Series) Circular No.01} dated December 2, 2005]	Existing Instructions	Amended Instructions
3	All transactions should be undertaken only after proper identification of the customer. Photocopies of proof of identification should invariably be retained by the AMC after verifying the document in original. Full details of name and address as well as the details of the identity document provided should also be kept on record. If a transaction is being undertaken on behalf of another person, identification evidence of all the persons concerned should be obtained and kept on record.	<p>For purchase of foreign exchange less than US \$ 200 or its equivalent, photocopies of the identification document need not be kept on record. However, full details of the identification document should be maintained.</p> <p>For encashment of foreign exchange between US \$ 200 and US \$ 2000 or its equivalent, the photocopies of the identification document should be maintained for one year and completion of statutory audit.</p> <p>For encashment in excess of US \$ 2000 or its equivalent, the photocopies of the identification document should be maintained for a minimum period of five years.</p>
4(c)	Requests for payment of sale proceeds in cash may be acceded to the extent of US \$ 1000 or its equivalent per transaction. All encashment within one month may be treated as a single transaction for the purpose. In all other cases, AMCs should make payment by way of Account Payee cheque / demand draft only.	Requests for payment in cash by foreign visitors / Non-Resident Indians may be acceded to the extent of US \$ 2000 or its equivalent. All other provisions of this paragraph remain unchanged.