



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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(Updated as on November 28, 2025)
(Updated as on February 29, 2024)

To

All Authorised Persons who are Indian Agents under the Money Transfer Service Scheme

Madam / Dear Sir,

Master Direction – Money Transfer Service Scheme (MTSS)

Money Transfer Service Scheme (MTSS) is a quick and easy way of transferring personal remittances from abroad to beneficiaries in India

2. Reserve Bank has the powers under Section 10(1) of the Foreign Exchange Management Act, 1999, to accord necessary permission (authorization) to any person to act as an Indian Agent under the Money Transfer Service Scheme.

3. The directions relating to Money Transfer Service Scheme are being issued in a consolidated form through the Master Direction enclosed. Reporting instructions can be found in the Master Direction on Reporting. It may be noted that whenever necessary, Reserve Bank shall issue directions to Authorised Persons who are Indian Agents under the MTSS through A.P. (DIR Series) Circulars in regard to any change in the rules, regulations, notifications, directions or orders or the manner in which relative transactions are to be conducted by the Authorised Persons with their customers/ constituents. The Master Direction issued herewith shall be simultaneously amended suitably.

Yours faithfully,

(N Senthil Kumar)
Chief General Manager

Master Direction on Money Transfer Service Scheme

1. Introduction

1.1 Money Transfer Service Scheme (MTSS) is a quick and easy way of transferring personal remittances from abroad to beneficiaries in India. Only inward personal remittances into India such as remittances towards family maintenance and remittances favouring foreign tourists visiting India are permissible. No outward remittance from India is permissible under MTSS. The system envisages a tie-up between reputed money transfer companies abroad known as Overseas Principals and agents in India known as Indian Agents who would disburse funds to beneficiaries in India at ongoing exchange rates. The Indian Agents can in turn also appoint sub-agents to expand their network. The Indian Agent is not allowed to remit any amount to the Overseas Principal. Under MTSS the remitters and the beneficiaries are individuals only. This document covers the details regarding the entry norms, authorization, renewal and various operating instructions pertaining to the entities involved in this scheme.

1.2 Statutory Basis

In terms of the powers granted under Section 10(1) of the Foreign Exchange Management Act (FEMA), 1999, the Reserve Bank of India may accord necessary permission (authorization) to any person to act as an Indian Agent under the Money Transfer Service Scheme. No person can handle the business of cross-border money transfer to India in any capacity unless specifically permitted to do so by the Reserve Bank.

2. Definitions

2.1 'Authorised Dealer' (AD) means a person authorised as an authorised dealer under sub-section (1) of section 10 of FEMA.

2.2 'Authorised Dealer (AD) Category II' means (i) Upgraded FFMCS; (ii) Select RRBs; (iii) Select UCBs; and (iv) Other entities.

2.3 'Full Fledged Money Changer (FFMC)' is an authorized money changer authorised to purchase foreign exchange from non-residents visiting India and residents, and to sell foreign exchange for private and business travel purposes only.

2.4 'Overseas Principal' are reputed money transfer companies abroad entering into tie up with agents in India known as Indian agents who would disburse funds to beneficiaries in India at ongoing exchange rates.

3. Guidelines for Indian Agents

3.1 Entry Norms

(i) The applicant to become an Indian Agent should be an Authorised Dealer Category-I bank or an Authorised Dealer Category-II or a Full Fledged Money Changer (FFMC), or a Scheduled Commercial Bank or the Department of Posts.

(ii) The applicant should have minimum Net Owned Funds of Rs.50 lakh.

Note:- (i) *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)*

(ii) *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 Procedure for making Applications to the Reserve Bank

Application for necessary permission to act as an Indian Agent may be made¹(through the APConnect application (<https://apconnect.rbi.org.in/entity>) by non-bank AD Category-II and FFMCs) to the respective regional office of the Foreign Exchange Department of the Reserve Bank of India, under whose jurisdiction the registered office of the applicant falls and should be accompanied by the documents pertaining to its proposed Overseas Principal, as detailed below:

- a) A declaration to the effect that no proceedings have been initiated by / are pending with the Directorate of Enforcement (DoE) / Directorate of Revenue Intelligence (DRI) or any other law enforcing authorities, against the applicant or its directors and that no criminal cases are initiated / pending against the applicant or its directors.

¹ Inserted vide [A.P. \(DIR Series\) Circular No.01 dated April 06, 2023](#)

- b) A declaration to the effect that proper policy framework on Know Your Customer (KYC) norms²/ Anti-Money Laundering (AML) standards/ Combating the Financing of Terrorism (CFT), in accordance with the guidelines issued by Reserve Bank of India, applicable to Indian agents and their Sub-agents in place on obtaining permission (authorization) of the Reserve Bank and before commencement of money transfer operations.
- c) Name and address of the Overseas Principal with whom the MTSS will be conducted.
- d) Full details of the operation of the scheme by the Overseas Principal.
- e) List of branches in India and their addresses where MTSS will be conducted by the applicant.
- f) Estimated volume of business per month/year under the scheme.
- g) Audited Balance Sheet and Profit and Loss Account for the last two financial years of the applicant, if available or a copy of the latest audited accounts, with a certificate from Statutory Auditors regarding the position of the Net Owned Funds as on the date of application.
- h) Memorandum and Articles of Association of the applicant where either a provision exists for taking up money transfer business or an appropriate amendment thereto has been filed with the Company Law Board.
- i) Confidential Report from at least two of the applicant's bankers in sealed cover.
- j) Details of sister/ associated concerns of the applicant functioning in the financial sector.
- k) A certified copy of the board resolution for undertaking money transfer business by the applicant.
- l) A letter from the proposed Overseas Principal, agreeing to enter into tie up with the applicant and also to provide necessary collateral.

3.3 Collateral requirement

Collateral equivalent to 3 days' average drawings or USD 50,000, whichever is higher, may be kept by the Overseas Principal in favour of the Indian Agent with a designated bank in India. The minimum amount of USD 50,000 shall be kept as a

² Modified vide [A.P. \(DIR Series\) Circular No. 16 dated November 28, 2025](#)

foreign currency deposit while the balance amount may be kept in the form of a Bank Guarantee. The adequacy of collateral should be reviewed by Indian Agents at quarterly intervals on the basis of remittances received during the past three months.

3.4 Other conditions

a. Only cross-border personal remittances, such as, remittances towards family maintenance and remittances favouring foreign tourists visiting India shall be allowed under this arrangement. Donations/ contributions to charitable institutions/ trusts, trade related remittances, remittance towards purchase of property, investments or credit to NRE Accounts shall not be made through this arrangement.

b. A cap of USD 2500 has been placed on individual remittance under the scheme. Amounts up to Rs.50,000/- may be paid in cash to a beneficiary in India. Any amount exceeding this limit shall be paid by means of account payee cheque/ demand draft/ payment order, etc., or credited directly to the beneficiary's bank account only. However, in exceptional circumstances, where the beneficiary is a foreign tourist, higher amounts may be disbursed in cash. Full details of such transactions should be kept on record for scrutiny by the auditors/ inspectors.

c. Only 30 remittances can be received by a single individual beneficiary under the scheme during a calendar year.

3.5 Criteria for RBI decisions

(i) The Indian Agents need to have strength and efficiency to function profitably in a highly competitive environment. As a number of Indian Agents are already functioning, permission (authorization) will be issued on a very selective basis to those who meet the above requirements, have necessary outreach and who are likely to conform to the best international and domestic standards of customer service and efficiency.

(ii) The Indian Agent should commence its money transfer operations under the scheme within a period of **six months** from the date of issuance of permission (authorization) and inform the regional office concerned of the Foreign Exchange Department of the Reserve Bank.

4. Guidelines for Overseas Principals

Indian Agents entering into arrangements with Money Transfer Operators overseas, known as Overseas Principals, may note that Overseas Principals with adequate volume of business, track record and outreach will only be considered under the scheme. Further, since the primary objective of permitting the business of money transfer business in the country is to facilitate cheaper and more efficient means of receipt of remittances, operators with limited outreach in terms of branch network in the country and localized operations overseas will not be entertained.

Applicant Indian Agents should submit the following documents/ comply with the following requirements, in respect of their Overseas Principals:

- a) The Overseas Principal should obtain necessary authorisation from the Department of Payment and Settlement Systems, Reserve Bank of India under the provisions of the Payment and Settlement Systems Act (PSS Act), 2007 to commence/ operate a payment system. Prior to such authorization, the Reserve Bank will verify the background and antecedents of the Overseas Principal with the help of Govt. of India,
- b) The Overseas Principal should be a registered entity, licenced by the Central Bank / Government or financial regulatory authority of the country concerned for carrying on Money Transfer Activities. The country of registration of the Overseas Principal should be AML compliant.
- c) The minimum net-worth of Overseas Principals should be at least USD 1 million as per the latest audited balance sheet, which should be maintained at all times. However, the Reserve Bank may consider relaxing the minimum Net Worth criterion in case of Overseas Principals incorporated in FATF member countries and are supervised by the concerned Central Bank/ Government or financial regulatory authority.
- d) The Overseas Principal should be well established in the money transfer business with a track record of operations in well regulated markets.
- e) The arrangement with Overseas Principal should result in considerably increasing access to formal money transfer facilities at both ends.
- f) The Overseas Principal should be registered with the overseas trade / Industry bodies.

- g) The Overseas Principal should have a good rating from one of the international credit rating agencies.
- h) The Overseas Principal should submit confidential reports from at least two of its bankers.
- i) The Overseas Principal should submit a report certified by independent Chartered Accountants, regarding steps taken to comply with anti-money laundering norms in the home/ host country.
- j) The Overseas Principals will be fully responsible for the activities of their Agents and Sub Agents in India.
- k) Proper records of remitters as also beneficiaries pertaining to all pay-outs in India are to be maintained by the Overseas Principals. All records must be made accessible on demand to the Reserve Bank or other agencies of the Government of India, viz., Ministry of Finance, Ministry of Home Affairs, FIU-IND, etc. Full details of the remitters and the beneficiaries should be provided by the Overseas Principals, if called for.

5. Guidelines for appointment of Sub Agents by Indian Agents

5.1 The Scheme

Under the Scheme, Indian Agents can enter into Sub Agency agreements with entities, fulfilling certain conditions, for the purpose of undertaking money transfer business.

5.2 Sub Agents

A Sub Agent should have a place of business, and whose bonafides are acceptable to the Indian Agent. Indian Agents are free to decide on the tenor of the arrangement as also the commission or fee through mutual agreement with the Sub Agent. The audit and on-site inspection of premises and records of the Sub Agents by the Indian Agent to be conducted at least once in a month and in a year respectively.

5.3 Procedure for Submission of information in respect of Sub Agents by Indian Agents.

Indian Agents should submit on a quarterly basis necessary information in the prescribed format in soft copy form pertaining to their Sub Agents appointed during a

quarter within 15 days from the end of the quarter, to the respective regional offices of the Foreign Exchange Department of the Reserve Bank under whose jurisdiction the registered office of the Indian Agent falls for onward submission to the Ministry of Home Affairs (MHA), Govt. of India (GoI) through the Ministry of Finance (MoF), Govt. of India (GoI). In case of any objection by the MHA, the Sub Agency arrangement concerned should be terminated immediately.

Indian Agents should also furnish certificates that the Sub Agents appointed by them comply with the eligibility norms and also they have done due diligence, wherever applicable, in respect of their Sub Agents.

5.4 Due Diligence of Sub Agents

The Indian Agents and the Overseas Principals should undertake the following minimum checks while conducting due diligence of the Sub Agents, other than AD Category-I, AD Category-II, Scheduled Commercial Banks, Full Fledged Money Changers and the Department of Posts:

- Existing business activities of the Sub Agent/ its position in area
- Shop & Establishment/ other applicable municipal certification in favour of the Sub Agent
- Verification of physical existence of location of the Sub Agent
- Conduct certificate of the Sub Agent from the local police authorities (certified copy of Memorandum and Articles of Association and Certificate of Incorporation in respect of incorporated entities).

Note: *Although obtaining of conduct certificate of the Sub Agent from the local police authorities is non-mandatory for the Indian Agents, the Indian Agents must take due care to avoid appointing individuals/ entities as Sub Agents who have cases / proceedings initiated / pending against them by any law enforcing agencies.*

- Declaration regarding past criminal cases, cases initiated/ pending against the Sub Agent and/or its directors/ partners by any law enforcing agency, if any
- PAN Card of the Sub Agents and its directors/ partners
- Photographs of the directors/ partners and the key persons of the Sub Agent

The above checks should be done on a regular basis, at least once in a year. The Indian Agents should obtain from the Sub Agents proper documentary evidence confirming the location of the Sub Agents in addition to personal visits to the site. The

Indian Agents should discontinue agreements with Sub Agents who do not meet the criteria laid down above within three months from the date of this circular.

5.5 Selection of Centers

The Indian Agents are free to select centers for operationalizing the Scheme. However, this may be advised to the Reserve Bank.

5.6 Training

The Indian Agents would be expected to impart training to the Sub Agents as regards operations and maintenance of records.

5.7 Reporting, Audit and Inspection

The Indian Agents would be expected to put in place adequate arrangements for reporting of transactions by the Sub Agents to the Indian Agents (on a regular basis) in a simple format to be prescribed by them, say at monthly intervals.

Regular spot audits of all locations of Sub Agents, at least on a monthly basis, should be conducted by Indian Agents. Such audits should involve a dedicated team and 'mystery customer' (Individuals acting as potential customers to experience and measure the extent up to which people and process perform as they should) concept should be used to test the compliance carried out by Sub Agents. As mentioned above, a system of inspection of the books of the Sub Agents should be put in place. The purpose of such inspection, which should be done at least once a year, would be to ensure that the money transfer business is being carried out by the Sub Agents in conformity with the terms of agreement/prevaling RBI guidelines and that necessary records are being maintained by the Sub Agents.

Note:- The Indian Agents are fully responsible for the activities of their Sub Agents. While the Indian Agents will be encouraged to act as self-regulated entities, the onus of ensuring the conduct of activities of the Sub Agents in the prescribed manner will lie solely on the Indian Agents concerned and Reserve Bank of India can in no way be held responsible for the activities of the Sub Agents. Each Indian Agent would be required to conduct due diligence before appointing a Sub Agent and any irregularity observed could render the Indian Agent's permission liable for cancellation.

6. Guidelines for renewal of permission (authorization) of existing Indian Agents

(i) Necessary permission to Indian Agents will be issued initially for a period of one year, which may be renewed for one to three years at a time on the basis of fulfilment

of all conditions and other directions/ instructions issued by the Reserve Bank from time to time.

(ii) The applicant should be an Authorised Dealer Category-I bank or an Authorised Dealer Category-II or a Full Fledged Money Changer (FFMC).

(iii) The Indian Agent should have minimum Net Owned Funds of Rs.50 lakh.

(iv) Application for renewal of permission should be submitted ³(through the APConnect application by non-bank AD Category-II and FFMCs) to the Regional Office concerned of the Foreign Exchange Department of the Reserve Bank under whose jurisdiction the registered office of the Indian Agent falls along-with the documents pertaining to the Overseas Principal as detailed above and the following documents:

- a) A declaration to the effect that no proceedings have been initiated by/ are pending with the Directorate of Enforcement (DoE)/ Directorate of Revenue Intelligence (DRI) or any other law enforcing authorities, against the Indian Agent or its directors and that no criminal cases are initiated/ pending against the Indian Agent or its directors.
- b) A write up on the KYC/ AML/ CFT, risk management and internal control policy framework, put in place by the Indian Agent.
- c) Audited Balance Sheet and Profit and Loss Account for the last two financial years of the Indian Agent, if available or a copy of the latest audited accounts, with a certificate from statutory auditors regarding the position of the Net Owned Funds as on the date of application.
- d) Confidential Reports from at least two of the bankers of the Indian Agent in sealed cover.
- e) Details of sister/ associated concerns of the Indian Agent functioning in the financial sector.
- f) A certified copy of the board resolution for renewal of permission.

Note :- An application for the renewal of permission under MTSS shall be made not later than one month, or such other period as the Reserve Bank may prescribe, before the expiry of the permission. Where an entity submits an application for the renewal of its MTSS permission, the permission shall continue in force until the date on which the permission is renewed or the application for renewal of permission is rejected, as the case may be. No application for renewal of MTSS permission shall be made after the expiry of the permission.

³ Inserted vide [A.P. \(DIR Series\) Circular No.01 dated April 06, 2023](#)

7. Inspection of Indian Agents

Inspections of the Indian Agents may be conducted by the Reserve Bank under the provisions of Section 12(1) of the FEMA, 1999.

8. KYC/ AML/ CFT Guidelines for the Indian Agents

(i) Detailed instructions on Know Your Customer (KYC) norms⁴/ Anti-Money Laundering (AML) standards/ Combating the Financing of Terrorism (CFT) for Indian Agents under MTSS in respect of cross-border inward remittance activities, in the context of the FATF Recommendations on Anti Money Laundering standards and on Combating the Financing of Terrorism issued by Reserve Bank of India shall, mutatis mutandis, be applicable to all Authorised Persons (APs), who are Indian agents under MTSS and to their Sub-agents.

(ii) To facilitate receipt of foreign inward remittances directly into bank account of the beneficiary, the foreign inward remittances received under MTSS can be transferred to the KYC compliant beneficiary bank account through electronic mode, such as NEFT, IMPS etc. Foreign inward remittances received by the bank acting as Indian Agent under MTSS (termed as 'Partner Bank'), may also be electronically credited directly to the account of the beneficiary, held with a bank other than the Indian Agent Bank (termed as 'Recipient Bank'), subject to the following conditions:

- a) The Recipient Bank will credit the amount transferred by the Partner bank only to KYC compliant bank accounts.
- b) In respect of the bank accounts which are not KYC compliant, the Recipient Bank shall carry out KYC/ Customer Due Diligence (CDD) of the recipient before the remittance to such account is credited or allowed to be withdrawn.
- c) The Partner Bank shall appropriately mark the direct-to-account remittances to indicate to the Recipient Bank that it is a foreign inward remittance.
- d) The Partner Bank shall ensure that accurate originator information and necessary beneficiary information is included in the electronic message while transferring the fund to the Recipient Bank. This information should be available in the remittance message throughout the payment chain i.e. the overseas principal, the Partner Bank and the Recipient Bank. The Partner Bank should add an appropriate alert in the electronic message indicating that

⁴ Modified vide [A.P. \(DIR Series\) Circular No. 16 dated November 28, 2025](#)

this is a foreign inward remittance and should not be credited to KYC non-compliant account or NRE/ NRO accounts.

- e) The identification and other documents of the recipient shall be maintained by the Recipient Bank as per the provisions of Prevention of Money Laundering (Maintenance of Records) Rules, 2005. All other requirements under KYC/ AML/ CFT guidelines issued by the Reserve Bank of India for MTSS from time to time shall be adhered to by the Partner Bank.
- f) The Recipient Bank may seek additional information from the Partner Bank and shall report suspicious transactions to the FIU-IND with details of the Partner Bank through which they received the remittances.

9. General Instructions

All Overseas Principals are required to submit their annual audited balance sheet along with a certificate on Net Worth from their Statutory Auditors to the concerned Regional Office of the Foreign Exchange Department and the Department of Payment and Settlement Systems of the Reserve Bank. Similarly, all Indian Agents are required to submit their annual audited balance sheet along with a certificate from their Statutory Auditors on Net Owned Funds to the regional offices concerned of the Foreign Exchange Department of the Reserve Bank. As the Overseas Principals and the Indian Agents are expected to maintain minimum Net Worth and Net Owned Funds respectively on an ongoing basis, they are required to bring it to the notice of the Reserve Bank immediately along with a detailed plan of restoring the Net Worth/ Net Owned Funds to the minimum required level, if there is any reduction in their Net Worth/ Net Owned Funds below the minimum level.

10. Standard Operating Procedure (SOP) during elections

The SOP given as 'Annex' for non-bank APs is to be followed by all non-bank APs who are Indian Agents under MTSS and they are also required to bring the contents of the SOP to the notice of their Sub-Agents/ constituents concerned.

Standard Operating Procedure (SOP) for non-bank money changers during elections

The movement of foreign exchange can take place between Authorised Dealer Category I (AD Cat. I), Authorised Dealer Category II (AD Cat. II), Full Fledged Money Changers (FFMC), their offices/branches, their customers and their franchisees.

On a request received from the Election Commission of India the following Standard Operating Practice (SOP) for movement of cash (foreign exchange), during elections is being notified:

A. Physical Movement-

1. All movement of Indian currency or foreign exchange should be effected by the person(s) authorised, who should carry the supporting documents while moving the cash. The movement should be on the basis of requisition made by the receiver and to the address of the destination.
2. If the cash is being moved from the office/branch of the AP, it should leave the place only after it has been recorded in the books of accounts of the AP.
3. Similarly, if the destination point of movement of the currency is the office/branch of the AP, it should be recorded in the books of accounts of the AP, on the same day or on the date of receipt.
4. Transfer of foreign currency between branches of the same AP should be accounted as stock transfer and not as sale so that double counting is avoided.

B. In the case of doorstep forex service by FFMCs / Authorised Dealers Category II to their regular customers, inter-alia, the processing and accounting of the transaction should take place in the office of the AP and the transaction should be supported by necessary documents for value received. The delivery of the forex should be done by authorised officials of the AP only.

C. As far as possible movement of Indian Currency should be made through banking channels (viz. cheque, demand draft, NEFT, RTGS, IMPS etc.) only. The transactions between authorized dealers and FFMCs should be settled by way of account payee crossed cheques / demand drafts/ and in no circumstances the settlement of Indian Currency should be made in cash. The cash (INR) collected by the AP or its franchisee should be deposited to a bank branch on the same day or next day.

- D.** The cancellation of any move for transportation of cash should be properly documented.
- E.** The movement of cash should be in sync with the documents.
- F.** The upper limit for movement of cash in INR would be Rs.10,00,000/- and in Foreign Currency equivalent of USD 1,00,000 except the transactions where the imported foreign currency is being transported to the offices/ branch of the AP.

Appendix

List of Circulars/ Notifications which have been consolidated in the Master Direction on Money Transfer Service Scheme

S. No.	Circulars	Date
1.	[**]	[**]
2.	A.P.(DIR Series) Circular No. 132	June 8, 2012
3.	A.P.(DIR Series) Circular No. 89	March 12, 2013
4.	A.P.(DIR Series) Circular No.110	March 4, 2014
5.	A. P. (DIR Series) Circular No. 8	July 18, 2014
6.	A. P. (DIR Series) Circular No. 49	December 16, 2014
7.	[**]	[**]
8.	A.P. (DIR Series) Circular No.01	April 06, 2023
9.	A.P. (DIR Series) Circular No. 16	November 28, 2025