

ANNEXURE 3

PRESS RELATIONS DIVISION,
Central Office, Post Box 406, Mumbai 400001
Phone: 2266 0502 Fax: 2266 0358, 2270 3279
RESERVE BANK OF INDIA
www.rbi.org.in
www.rbi.org.in\hindi
e-mail: helpprd@rbi.org.in

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RBI cautions Public against Fictitious Offers of Remitting Cheap Funds from Abroad

The Reserve Bank of India has advised members of public not to fall prey to fictitious offers for release of cheap funds claimed to have been remitted by overseas entities to banks in India / Reserve Bank of India. Members of public should also not make any remittance towards participation in such schemes/offers from unknown entities.

Describing the typical modality of such offers, the Reserve Bank of India stated that certain foreign entities / individuals, including Indian residents acting as representatives of such entities / individuals, make offers through letters / emails, etc., of huge money in foreign currency to resident individuals / entities (including schools / hospitals), on the pretext of helping them in their business / ventures in India. Once the contact is established, the offer is followed by a request seeking details of bank account of the Individuals / Indian entity and asking some amount to be remitted to them as initial deposit / commission so that the offer money could be transferred. Likewise, references have been also received in the Reserve Bank in the recent past from individuals / authorised dealers seeking approvals / clarifications for effecting remittances in foreign currency towards commission / fees for receiving prizes won in overseas lottery schemes etc. It has also come to the notice of the Reserve Bank that certain overseas organisations have been advising individuals / companies / trusts in India that huge sums of money for disbursement of loans in India at cheap rates has been kept in an account with the Reserve Bank and the funds would be released after approval from the Reserve Bank. To substantiate their claims, even copies of certificate / deposit receipts purported to have been issued by the Reserve Bank are produced by such operators.

The Reserve Bank of India has today clarified that remittance in any form towards participation in lottery schemes is prohibited under Foreign Exchange Management Act, 1999. Further, these restrictions are also applicable to remittances for participation in lottery-like schemes functioning under different names, such as, money circulation scheme or remittances for the purpose of securing prize money / awards, etc. The Reserve Bank of India has further clarified that it does not maintain any account in the name of individuals / companies / trusts in India to hold funds for disbursement.

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G. Raghuraj
Deputy General Manager