

Overseas Forex Trading through internet trading portals

**As per extant regulatory guidelines, Resident Indians are not permitted to make remittances in the nature of margins or margin calls to overseas exchanges/overseas counterparty.** We wish to bring to your notice the following instructions as issued by the Reserve Bank of India vide its circular dated Sep 17, 2013.

1. Remittance in any form towards overseas foreign exchange trading (including through electronic/internet trading portals or by use of Credit/Debit Cards) is strictly prohibited and accordingly, the customers are cautioned not to remit or deposit money or utilize credit/debit cards/account for such transactions.
2. Further, any person, resident in India collecting and effecting/remitting payments directly/indirectly outside India in any form towards overseas foreign exchange trading through electronic/internet trading portals would make himself/ herself / themselves liable to be proceeded against for contravention of the Foreign Exchange Management Act (FEMA), 1999 besides being liable for violation of regulations relating to Know Your Customer (KYC) norms / Anti Money Laundering (AML) standards.
3. Banks are required to report such prohibited overseas foreign exchange trading transactions on the Credit/Debit Cards/Online Banking to the Reserve Bank of India.

In view of the above, we would be constrained to take necessary action by closing Credit/Debit Cards in case of any "Overseas Forex Trading" transactions observed on your Card account and report the same to the regulator. Hence, you are requested to refrain from doing such transactions on your Credit/Debit Card/accounts.