

under KYC/AML/CFT guidelines issued by the Reserve Bank of India from time to time shall be adhered to by the Partner Bank.

vi. 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.

SECTION III

Rupee Drawing Arrangement Procedures and Collateral Cover

Rupee Drawing Arrangements can be conducted under the Designated Depository Agency (DDA), Non-Designated Depository Agency (Non-DDA) and Speed Remittance procedures.

1. Designated Depository Agency (DDA) Procedure

(a) The Exchange House will be required to open a bank account in a convertible foreign currency (known as DDA account) in the name of the drawee bank (a/c- Exchange House) with an international bank acceptable to the drawee bank at a centre mutually agreed upon or with the drawee bank itself at the branch where the corresponding Rupee vostro account is maintained, with the prior approval of the Reserve Bank.

(b) The Exchange House will, at the end of each day, arrive at the total drawings in Indian Rupees for the day and will convert the same into foreign currency which shall be deposited into the account of the drawee bank (a/c-Exchange House) [known as DDA account, as described at 1(a) above] on the next working day before noon.

(c) The Exchange House will send to the drawee bank information about the total number and the aggregate value of drafts drawn and daily deposits in the DDA account. Transfer from the DDA account should be as frequently as possible and is subject to the stipulation as at 1(e) below.

(d) The funds will be held in the DDA account under lien to the drawee bank. The only debits allowed from the DDA account will be (i) on account of transfer to the nostro account of the drawee bank where the DDA account is maintained with a