

Protect yourself from unauthorised Forex Transactions!

Unauthorised foreign exchange transactions where unauthorised entities offer foreign exchange (forex) trading facilities.

Understanding what is an unauthorised foreign exchange transaction?

Unauthorised forex (foreign exchange) transactions involve residents making foreign exchange transactions with

- a) entities not licensed by the Reserve Bank of India (RBI) or
- b) on electronic platforms not authorised by the RBI

In India, these actions are illegal under the Foreign Exchange Management Act (FEMA) and can result in penal action.

What constitutes an unauthorised transaction?

- Trading with unlicensed entities: Engaging in forex trading or making remittances with brokers or platforms not listed by the RBI as authorised dealers.
- Using unauthorised Exchange Trading Platforms (ETP): Conducting forex transactions on electronic trading platforms that are not authorised by RBI.
- Misleading advertisements: Untrustworthy advertisements that promote unauthorised forex trading platforms, especially found on social media and other online platforms.

Understanding the modus operandi of these unauthorised entities:

- Offers foreign exchange (forex) trading facilities to Indian residents with promises of disproportionate/ exorbitant returns.
- Provides options to residents to remit/ deposit funds in Rupees to undertake unauthorised forex transactions using various digital channels.
- Promotions that claim to provide training/ advisory services for forex transactions.
- Scammers trap the public in by promising large returns on forex trading in a short period of time

The list of authorised foreign exchange dealers may be checked on the RBI website in the following URL: <https://rbi.org.in/scripts/category.aspx>

The list of authorised electronic trading platforms may be checked on the RBI website in the following URL: https://rbi.org.in/scripts/bs_viewcontent.aspx?Id=4080

The list of Electronic Trading Platforms not authorised by RBI (Alert List) may be checked from the RBI website in the following URL:
https://rbi.org.in/scripts/bs_viewcontent.aspx?Id=4235

The lists are not exhaustive. An entity not appearing in the list should not be assumed to be authorised by the RBI. The authorisation status of any person/ ETP may be ascertained from the list of authorised persons
<https://rbi.org.in/scripts/Fema.aspx> and authorised ETPs
https://rbi.org.in/scripts/bs_viewcontent.aspx?Id=4080

Tips to safeguard yourself:

1. Refer to RBI guidelines dated 2nd April 2024 regarding unauthorised foreign exchange transactions.
2. Be wary of any calls, emails, social media including WhatsApp messages from unauthorised entities offering foreign exchange (forex) trading facilities.
3. Do not transmit or deposit money for foreign exchange (forex) transactions or to undertake forex transactions on unapproved Electronic Trading Platform (ETP)
4. Refer to the 'Alert List' containing names of entities (this list is indicative and not exhaustive) which are neither authorised to deal in forex under the Foreign Exchange Management Act, 1999 (FEMA) nor authorised to operate Electronic Trading Platform for forex transactions.
5. Authorisation status of any person/ ETP can be ascertained from the List of Authorised Persons and Authorised ETPs.
6. Be vigilant, exercise caution and liaise with 'Authorised Persons' or 'Authorised ETPs' for processing/routing any forex transaction. Conducting forex transactions on unauthorised platforms shall result in legal issues for the user
7. Don't be pressured into making a quick decision. Please take your time, do your research and ask questions before processing any forex transaction.

Remember always - the higher the promised return, the higher the risk involved!

For clarification, please visit any DCB Bank branch or contact DCB Customer Care at 022-6899 7777, 040-6815 7777 or email customercare@dcbbank.com and NRI customers may please call contact +91-022-61271000 or email nri@dcbbank.com.