

# Info Capsule

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THE INSTITUTE OF  
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भारतीय कम्पनी सचिव संस्थान

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## **Licensing as Authorised Dealer- Category II**

Vide notification no. DNBR (PD) CC.No.098/03.10.001/2018-19 dated 16th April, 2019, RBI has stated that “A large segment of population is increasingly getting connected with forex transactions on individual accounts. In order to increase the accessibility and efficiency of services extended to the members of the public for their day-to-day non-trade current account transactions, it has been decided that Systemically Important Non-Deposit taking Investment and Credit Companies shall be eligible for Authorized Dealer- Category II (AD- Cat II) licence, subject to meeting the following conditions:

- NBFCs offering such services shall have a ‘minimum investment grade rating’.
- NBFCs offering such services shall put in place a board approved policy on (a) managing the risks, including currency risk, if any, and (b) handling customer grievances arising out of such activities. A monitoring mechanism, at least at monthly intervals, shall be put in place for such services.

Further, the eligible NBFCs desirous of undertaking AD-Cat II activities shall approach the Reserve Bank of India, Foreign Exchange Department, Central Office, Mumbai for the AD-Cat II licence.

Source: <https://rbidocs.rbi.org.in/rdocs/notification/PDFs/170ADCATII0894CEFC342B41378081B5E75797F467.PDF>