

Subject: Easy Option For Sending Money To India And Abroad

Dear Professional Colleague

Please find below an [Updates on](#) Easy Option for Sending Money to India and Abroad

What do you do if you get a frantic call from your daughter who is studying abroad and is in dire need of money? You can't simply courier wads of cash, can you? Under such circumstances, it's better to be prepared. Fortunately, there are various options to transfer money from India or receive it from a foreign country. Assess these options and decide which suits your needs the best.

According to the RBI guidelines, you can remit up to \$1 lakh a year for your child's education, while under the Liberalised Remittance Scheme, you can transfer up to \$2 lakh a year abroad for various purposes, such as investment, education and medical treatment. So, whether you need to send money to your child, gift it to friends and relatives, or buy goods and services from a foreign country, here's how you can do it.

Foreign currency demand drafts

You can approach the bank where you have an account to make a demand draft (DD) for the amount you want to transfer. This will be made in the foreign currency and the equivalent amount of money in rupees will be debited from your account. Banks usually charge Rs 300-600 for making the draft.

While it doesn't take long to get the DD made, it will take 2-7 days to have the draft mailed abroad, and the courier charges will add to the cost. There's another downside to using this option. "Besides the risk of the draft getting lost in transit, there is the delay in realisation as the draft has to be first presented to the bank. So the entire process could take 10-12 days to deposit in the individual's account," says a bank executive.

SWIFT transfer

A fast way to transfer money is through a mechanism called SWIFT (Society for Worldwide Interbank Financial Telecommunication) wire transfer. This is an offline facility available with most banks in India, such as Axis, ICICI, Standard Chartered and ING Vysya, which are associated with those in other countries.

You need to fill the beneficiary's details, such as bank account number, postal address of the bank and its SWIFT code, in a form. Once this is done, the amount will be debited from your account and credited to the foreign bank account in 48-72 hours. If your bank does not provide this facility, you can get a demand draft made and give it to a bank which does.

PayPal account

If you want to buy something from a foreign website, an option that is better than the above two is PayPal, an online payment gateway. However, you can only transfer money from one PayPal account to another. Opening one is easy. You have to log on to the website, paypal.com, and provide your name, e-mail ID, password, postal address, contact number and the debit/credit card number.

To tighten the online payment mechanism and track the flow of money, the RBI announced recently that all Indians who have an account with PayPal will also have to provide their Permanent Account Numbers and details of the bank account.

To transfer the money, you will need to give the name and e-mail ID of the payee. When the money is swiped from your card and credited to his account, he will receive a notification either via e-mail or phone. While you cannot use PayPal to make personal payments-you cannot transfer money to a friend or relative abroad-they can send you money. You can withdraw the funds by either transferring them to your bank account or credit/debit card, or by requesting for a cheque.

The person who sends you money will have to pay a nominal transaction fee as well as a currency conversion charge, which is usually 3-4% of the amount. If, on the other hand, you are making a payment, you will not incur any fee or charge.

Money transfer agencies

Another quick way to transfer money is through global payment service providers, such as MoneyGram and Western Union. These have tie-ups with a number of banks, which act as agents for them. Due to the RBI regulations, this facility is limited only to receiving funds, not to sending money abroad .

If, however, you're abroad and have to send money to India, you can approach an agent-which can be the bank or a service provider official-and give him your details as well as those of the recipient. Once you give him the money, he will provide you with a reference code.

You can inform the receiver, who will give this code to an agent in India, along with proof of identity. The agent will then hand over the money to the beneficiary. The sender will have to bear a fee which varies across countries.

Some of these service providers, such as Western Union, also allow you to send money through their websites as well as let receivers in India check the amount transferred. Kiran Shetty, regional vice-president (India), Western Union, says, "Last year, we signed an agreement with the [State Bank of India](#) to roll out an account-based money transfer service, which will start soon.

This will help consumers route the money transferred through Western Union directly into their [SBI](#) accounts."

E-cheque transfer

If you are staying overseas, another option you can use to send money to India is through electronic transfer. Some banks, such as ICICI ([money2india.com](#)) and SBI ([remit.onlinesbi.com](#)), as well as online money transfer companies, such as TimesofMoney ([remit2india.com](#)), provide this facility. You will have to register on their websites and fill in your details, including your bank account number.

After this, you can fill in the amount of money you want to send along with the bank details of the receiver. The money will be transferred within five working days.

In case you have an account with a foreign branch of SBI and one in India too, you can transfer the money real time. As an exception, e-cheque transfers can be used by NRIs, who are in India for some time, to send money abroad.

However, before you transfer money, check the remittance limit allowed in that country and the purposes for which it is permitted.

For instance, the RBI doesn't allow money transfers for gambling or margin trading. You can check whether the purpose for which you are sending money is allowed under the Foreign Exchange Management Act by accessing [fema.rbi.org.in](#).