

Give benefit of doubt to individual customers : RBI Governor's message to authorised dealers

The annual Conference of In-Charges of Forex Departments/International Divisions of authorised dealers was held today in the Central Office Building of the Reserve Bank of India. Dr. Bimal Jalan, Governor, Reserve Bank of India inaugurated the conference.

In his inaugural address, Dr. Jalan shared the macro-economic perspectives of the central bank with the gathering. He said that the objective of the current policy in regard to foreign exchange market was to maintain orderly conditions in the financial markets. The policy was aimed at preventing any "destabilising" speculation in the market while at the same time facilitating foreign exchange transactions at market rates for all permissible purposes.

The Governor pointed out that the Reserve Bank will continue to decentralise the decision-making process in respect of foreign exchange operations and give maximum responsibility to authorised dealers to meet their customer requirements without having to seek specific permission from the Reserve Bank. He also stressed on greater transparency and clarity in rules and welcomed suggestions from authorised dealers on making the rules less discretionary.

Focussing on customer service, the Governor urged authorised dealers and the Reserve Bank to give particular attention to providing the best service to members of the public, such as, travellers, students, non-resident Indian visitors, etc., and commercial clients. Explaining this he stated that the frequency and volume of individual transactions are small. The benefit of doubt in individual transaction, therefore, should go to individual clients, he stressed.

Earlier, Shri Jagdish Kapoor, Deputy Governor, Reserve Bank of India made introductory remarks and pointed out that the Reserve Bank has been, in the recent past, following the process of consultation in formulating its policies. He encapsulated the developments of the past one year in the area of exchange control. Shri C. Harikumar, Executive Director, Reserve Bank of India stressed the need for expeditious communication between the Reserve Bank, head offices of banks and branches dealing in foreign exchange. He also called for intensive training in the interest of customer service for the staff dealing in foreign exchange.

Alpana Killawala
General Manager

Press Release : 1998-99/367