

RBI/ 2009-10/25

Master Circular No.05 /2009-10

July 1, 2009

To,

All Authorised Persons in Foreign Exchange

Madam / Sir,

**Master Circular on Miscellaneous Remittances from India –
Facilities for Residents**

Miscellaneous remittance facilities for residents are allowed in terms of section 5 of the Foreign Exchange Management Act, 1999, read with Government of India Notification No. G.S.R 381(E) dated May 3, 2000, as amended from time to time.

2. This Master Circular consolidates the existing instructions on the subject of "**Miscellaneous Remittances from India - Facilities for Residents**" at one place. The list of underlying circulars/notifications consolidated in this Master Circular is furnished in Appendix-1.

3. This Master Circular is being issued with a sunset clause of one year. This circular will stand withdrawn on July 1, 2010 and be replaced by an updated Master Circular on the subject.

Yours faithfully,

(Salim Gangadharan)
Chief General Manager-in-Charge

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Release of Foreign Exchange by Authorised Dealers

A.1 General

1.1 For release of foreign exchange to persons resident in India for various current account transactions, Authorised Dealer banks are to be guided by the Rules made by the Govt. of India under Section 5 of the Foreign Exchange Management Act, 1999 (*as indicated in item 1 of Appendix 2*) which are detailed in the Foreign Exchange Management (Current Account Transactions) Rules, 2000 (**Annex-1**) notified by the Government of India vide Notification No. G.S.R.381 (E) dated 3rd May 2000 (Rules). In terms of the said Rules, drawal of exchange for certain categories of transactions as listed in Schedule I is expressly prohibited. Exchange facilities for transactions included in Schedule II to the Rules may be permitted by the Authorised Dealer banks provided the applicant has secured the approval from the Ministry/Department of the Government of India as specified therein. In respect of transactions included in Schedule III, prior approval of the Reserve Bank would be required for remittance exceeding the specified limits. The release of foreign exchange up to the threshold ceilings specified in Schedule III stands delegated to Authorised Dealer banks. All applications for release of exchange exceeding the limits as prescribed in Schedule III to the Rules should be referred to the Regional Office concerned of the Foreign Exchange Department of the Reserve Bank, under whose jurisdiction the applicant is functioning / residing.

1.2 “Drawal” of foreign exchange also includes use of International Credit Cards (ICC), International Debit Cards (IDC), ATM cards, etc. “Currency”, *interalia*, includes ICC, IDC and ATM Cards. Accordingly, all Rules, Regulations made and Directions issued under the Act apply to the use of ICC, IDC and ATM Cards.

1.3 In order to provide adequate foreign exchange facilities and efficient customer service, the Reserve Bank has decided to grant licences to certain

entities by authorising them as Authorised Dealer – Category II to undertake a range of non-trade current account transactions. Accordingly, Authorised Dealer – Category II are authorised to release / remit foreign exchange for the following non-trade current account transactions:

- (a) Private visits,
- (b) Remittance by tour operators / travel agents to overseas agents / principals / hotels,
- (c) Business travel,
- (d) Fee for participation in global conferences and specialized training,
- (e) Remittance for participation in international events / competitions (towards training, sponsorship and prize money),
- (f) Film shooting,
- (g) Medical treatment abroad,
- (h) Disbursement of crew wages,
- (i) Overseas education,
- (j) Remittance under educational tie up arrangements with universities abroad,
- (k) Remittance towards fees for examinations held in India and abroad and additional score sheets for GRE, TOEFL, etc.,
- (l) Employment and processing, assessment fees for overseas job applications,
- (m) Emigration and emigration consultancy fees,
- (n) Skills / credential assessment fees for intending migrants,
- (o) Visa fees,
- (p) Processing fees for registration of documents as required by the Portuguese / other Governments, registration / subscription /membership fees to International Organisations.

1.4 Release of foreign exchange is not admissible for travel to and transaction with residents of Nepal and Bhutan. (cf. Clause (b) of Rule 3 of the Rules **(as indicated in item 2 of Appendix 2)**).

A.2 Sale of Exchange

2.1 Where approvals have been granted by the Reserve Bank / Government of India, foreign exchange may be sold within the period of validity stated in the approval and the details of the sale should be endorsed on the reverse of the original approval.

2.2 Authorized Dealers may release foreign exchange for **travel purposes** on the basis of a declaration given by the traveller regarding the amount of foreign exchange availed of during the financial year.

2.3 In case of issue of travellers cheques, the traveller should sign the cheques in the presence of an authorised official and the purchaser's acknowledgement for receipt of the travellers cheques should be held on record.

2.4 Out of the overall foreign exchange being sold to a traveller, exchange in the form of foreign currency notes and coins may be sold up to the limit indicated below:

- (i) Travellers proceeding to countries other than Iraq, Libya, Islamic Republic of Iran, Russian Federation and other Republics of Commonwealth of Independent States - not exceeding USD 2000 or its equivalent.
- (ii) Travellers proceeding to Iraq or Libya - not exceeding USD 5000 or its equivalent
- (iii) Travellers proceeding to Islamic Republic of Iran, Russian Federation and other Republics of Commonwealth of Independent States - full exchange may be released.

2.5 The form A2 relating to sale of foreign exchange should be retained for a period of one year by the Authorised Dealers, together with the related documents, for the purpose of verification by their Internal Auditors. However, in respect of remittance applications for miscellaneous non-trade current account transactions of amount not exceeding USD 5,000, Authorised Dealers may obtain **simplified Application-cum-Declaration** form (Form A2) as shown at **Annex -2**.

2.6 In cases where the remittances are allowed on the basis of self declaration, the onus of furnishing the correct details in the application will remain with the applicant who has certified the details relating to the purpose of such remittance.

A.3 Medical Treatment

3.1 With a view to enable residents to avail of foreign exchange for medical treatment abroad without any hassles and any loss of time, Authorised Dealers may release foreign exchange up to an amount of USD 100,000 or its equivalent, on the basis of self declaration that the applicant is buying exchange for medical treatment outside India, without insisting on any estimate from a hospital/doctor.

3.2 For amount exceeding the above limit, estimate from the doctor in India or hospital/ doctor abroad, is required to be submitted to the Authorised Dealers.

3.3 A person who has fallen sick after proceeding abroad may also be released foreign exchange by an Authorised Dealer for medical treatment outside India.

A.4 Cultural Tours

Dance troupes, artistes, etc., who wish to undertake tours abroad for cultural purposes should apply to the Ministry of Human Resources Development (Department of Education and Culture), Government of India, for their foreign

exchange requirements. Authorised Dealers may release foreign exchange, on the strength of the sanction from the Ministry concerned, to the extent and subject to conditions indicated therein.

A.5 Private Visits

Foreign exchange for private visit can also be released to a person who is availing of foreign exchange for travel outside India for any purpose up to the limits specified in Schedule III to the Rules.

A.6 Business Visits

Foreign exchange for undertaking business travel or attending a conference or specialised training or for maintenance expenses of a patient going abroad for medical treatment or check up abroad or for accompanying as attendant to a patient going abroad for medical treatment / check up to the limits specified in Schedule III to the Rules.

A.7 Period of surrender of foreign exchange

7.1 In case the foreign exchange purchased for a specific purpose is not utilized for that purpose, it could be utilized for any other eligible purpose for which drawal of foreign exchange is permitted under the relevant Regulation.

7.2 General permission is available to any resident individual to surrender received / realised / unspent / unused foreign exchange to an Authorised Person within a period of 180 days from the date of receipt / realisation / purchase / acquisition / date of return of the traveller, as the case may be.

7.3 The liberalized uniform time limit of 180 days is applicable only to resident individuals and that too in areas other than export of goods and services.

7.4 In all other cases, the regulations / directions on surrender requirement shall remain unchanged. (cf. Notification No. FEMA 9/2000-RB dated May 3, 2000, as amended from time to time).

A.8 Unspent Foreign Exchange

8.1 As stated above, unspent foreign exchange brought back to India by a resident individual should be surrendered to an Authorised Person within 180 days from the date of return of the traveller. Exchange so brought back can be utilized by the individual for his/her subsequent visit abroad.

8.2 However, a returning traveller is permitted to retain with him, foreign currency travellers cheques and currency notes up to an aggregate amount of USD 2000 and foreign coins without any ceiling (cf. Notification No. FEMA 11/2000-RB dated May 3, 2000). Foreign exchange so retained, can be utilized by the traveller for his subsequent visit abroad.

8.3 A person resident in India can open, hold and maintain with an Authorised Dealer in India, a **Resident Foreign Currency (Domestic) Account**, out of foreign exchange acquired in the form of currency notes, bank notes and travellers cheques from any of the sources like, payment for services rendered abroad, as honorarium, gift, services rendered or in settlement of any lawful obligation from any person not resident in India.

8.4 The account may also be opened / credited with foreign exchange earned abroad, including proceeds of export of goods and/or services, royalty, honorarium, etc., and/or gifts received from close relatives (as defined in the Companies Act) and repatriated to India through normal banking channels by resident individuals.

8.5 The eligible credits to the Resident Foreign Currency (Domestic) Account, out of foreign exchange acquired in the form of currency notes, bank notes and travellers cheques, are as under :-

(i) acquired by him from an Authorised Person for travel abroad and represents the unspent amount thereof or

(ii) acquired by him, while on a visit to any place outside India, by way of payment for services not arising from any business in or anything done in India and by way of honorarium or gift or

(iii) acquired by him, from any person not resident in India, and who is on a visit to India, as honorarium, gift, for services rendered or in settlement of any lawful obligation.

Note: *Where a person approaches an Authorised Person for surrender of unspent/ unutilized foreign exchange after the prescribed period, Authorised Person should not refuse to purchase the foreign exchange merely on the ground that the prescribed period has expired.*

A.9 Remittances for Tour Arrangements, etc.

9.1 Authorised Dealers may remit foreign exchange up to a reasonable limit, at the request of a traveller towards his hotel accommodation, tour arrangements, etc., in the countries proposed to be visited by him or for making other tour arrangements for travellers from India, provided in each case the Authorised Dealer is satisfied that the remittance is being made out of the foreign exchange purchased by the traveller concerned from an Authorised Person (including exchange drawn for private travel abroad), in accordance with the Rules, Regulations and Directions in force.

9.2 Authorised Dealers may effect remittances at the request of agents in India who have tie-up arrangements with hotels / agents, etc., abroad for providing hotel accommodation or making other tour arrangements for travel from India, provided the Authorised Dealer is satisfied that the remittance is being made out of the foreign exchange purchased by the traveller concerned from an Authorised Person (including exchange drawn for private travel abroad) in accordance with the Rules, Regulations and Directions in force.

9.3 Authorised Dealer may open foreign currency accounts in the name of agents in India who have tie up arrangements with hotels / agents, etc., abroad for providing hotel accommodation or making other tour arrangements for travellers from India provided:-

- a) the credits to the account are by way of depositing
 - i) collections made in foreign exchange from travellers; and
 - ii) refunds received from outside India on account of cancellation of bookings / tour arrangements, etc., and

- b) the debits in foreign exchange are for making payments towards hotel accommodation, tour arrangements, etc., outside India, in accordance with paragraph 9.2 above.

9.4 Authorised Dealer may allow tour operators to remit the cost of rail/ road/ water/ transportation charges outside India without any prior approval from the Reserve Bank, net of commission/mark up due to the agent. The sale of passes/ticket in India can be made either against the payment in Indian Rupees or in foreign exchange released for visits abroad. The cost of passes/tickets collected in Indian Rupees need not be adjusted in the travellers' entitlement of foreign exchange for private visit.

9.5 In respect of consolidated tours arranged by travel agents in India for foreign tourists visiting India and neighbouring countries like Nepal, Bangladesh, Sri Lanka, etc., against advance payments / reimbursement through an Authorised Dealer, part of the foreign exchange received in India against such consolidated tour arrangement, may require to be remitted from India to these neighbouring countries for services rendered by travel agents and hoteliers in these countries. Authorised Dealers may allow such remittances after verifying that the amount being remitted to the neighbouring countries (inclusive of remittances, if any, already made against the tour) does not exceed the amount actually remitted to India and the country of residence of the beneficiary is not Pakistan.

A.10 Payment in Rupees

Authorised Dealers may accept payment in cash up to Rs. 50,000 (Rupees fifty thousand only) against sale of foreign exchange for travel abroad (for private visit or for any other purpose). Wherever the sale of foreign exchange exceeds the amount equivalent to Rs.50,000, the payment must be received only by

- (i) a crossed cheque drawn on the applicant's bank account, or
- (ii) crossed cheque drawn on the bank account of the firm/company sponsoring the visit of the applicant, or
- (iii) Banker's Cheque / Pay Order / Demand Draft or
- (iv) Debit / credit / prepaid cards provided
 - a) KYC/AML guidelines are complied with
 - b) sale of foreign currency / issue of foreign currency TCs is within the limits (credit / prepaid cards) prescribed by the bank and
 - c) the purchaser of foreign currency / foreign currency TCs and the credit/debit/prepaid card holder is one and the same person.

Note: *Where the rupee equivalent of foreign exchange drawn exceeds Rs 50,000 either for any single drawal or more than one drawal reckoned together for a single journey/visit, it should be paid by cheque or draft.*

A.11 Advance Remittance – Import of services

Authorised Dealers may allow advance remittance for import of services. However, where the amount exceeds USD 500,000 or its equivalent, a guarantee from a bank of International repute situated outside India or a guarantee from an Authorised Dealer in India, if such a guarantee is issued against the counter-guarantee of a bank of International repute situated outside India, should be obtained from the overseas beneficiary. The Authorised Dealer should also follow up to ensure that the beneficiary of the advance remittance has fulfilled his obligations under the contract or agreement with the remitter in India.

A.12 Issue of Guarantee- Import of services

Authorised Dealer may issue guarantee on behalf of their customers importing services, provided :

- a. the guarantee amount does not exceed USD 100,000;
- b. AD is satisfied about the bonafides of the transaction;
- c. AD ensures submission of documentary evidence for import of services in the normal course; and
- d. the guarantee is to secure a direct contractual liability arising out of a contract between a resident and a non-resident.

In case of invocation of the guarantee, the Authorised Dealer is required to submit to the Chief General Manager-in-Charge, Foreign Exchange Department, Foreign Investments Division (EPD), Reserve Bank of India, Central Office, Mumbai- 400001 a report on the circumstances leading to the invocation of the guarantee.

A.13 Liberalised Remittance Scheme of USD 200,000 for Resident Individuals

13.1 Under this Scheme, Authorised Dealers may freely allow remittances by resident individuals up to USD 200,000 per financial year (April-March) for any permitted current or capital account transactions or a combination of both.

13.2 The facility is available to all resident individuals including minors.

13.3 Remittances under the facility can be consolidated in respect of family members subject to individual family members complying with the terms and conditions of the Scheme.

13.4 Remittances under the Scheme are allowed only in respect of permissible current or capital account transactions or a combination of both.

All other transactions which are otherwise not permissible under FEMA and those in the nature of remittance for margins or margin calls to overseas exchanges / overseas counterparty are not allowed under the Scheme.

13.5 Resident individuals are free to acquire and hold immovable property or shares (of listed companies or otherwise) or debt instruments or any other asset outside India without prior approval of the Reserve Bank.

13.6 The limit of USD 200,000 under the Scheme also include remittances towards gift and donation by a resident individual.

13.7 Remittances under the Scheme can be used for purchasing objects of art subject to the provisions of other applicable laws such as the extant Foreign Trade Policy of the Government of India.

13.8 The Scheme can also be used for remittance of funds for acquisition of ESOPs. The Scheme is in addition to acquisition of ESOPs linked to ADR / GDR and acquisition of qualification shares.

13.9 A resident individual can invest in units of Mutual Funds, Venture Funds, unrated debt securities, promissory notes, etc. under this Scheme. Further, the resident can invest in such securities out of the bank account opened abroad under the Scheme (see 13.12).

13.10 An individual who has availed of a loan abroad while a non resident can repay the same on return to India under the Scheme as a resident.

13.11 The Scheme can be used for outward remittance in the form of a DD either in the resident individual's own name or in the name of beneficiary with whom he intends putting through the permissible transactions at the time of private visit abroad, can be effected, against self declaration of the remitter in the format prescribed.

13.12 Individuals can also open, maintain and hold foreign currency accounts with a bank outside India for making remittances under the Scheme without prior approval of the Reserve Bank. The foreign currency accounts may be used for putting through all transactions connected with or arising from remittances eligible under this Scheme.

13.13 Banks should not extend any kind of credit facilities to resident individuals to facilitate remittances under the Scheme.

13.14 The scheme is not available for remittances for any purpose specifically prohibited under Schedule I or any item restricted under Schedule II of Foreign Exchange Management (Current Account Transaction) Rules, 2000.

13.15 The facility is not available for remittances made directly or indirectly to Bhutan, Nepal, Mauritius and Pakistan.

13.16 The Scheme is not available for remittance to countries identified by Financial Action Task Force (FATF) as non co-operative countries and territories as available on FATF website www.fatf-gafi.org. /or as notified by the Reserve Bank.

13.17 For undertaking transactions under the Scheme, resident individuals may use the application-cum-Declaration Form as at **Annex-3 and it is mandatory to have PAN number to make remittances under the Scheme.**

13.18 Beginning from April 2008, AD Category – I banks are required to furnish the information on a monthly basis, in the revised format as at **Annex-8**, to the Chief General Manager-in-Charge, Foreign Exchange Department, (FID-EPD), Reserve Bank of India, Central Office, 11th Floor, Central Office Building, Mumbai - 400 001, on or before fifth of the following month to which it relates. A soft copy of the statement (in Excel format) may also be sent by email to fedcofid@rbi.org.in. This statement in the revised format should be forwarded through Online Returns Filing System (ORFS) for which purpose all

the AD Category – I Banks have been given user ID and password by the Reserve Bank.

A.14 Documentation

14.1 The Reserve Bank will not, generally, prescribe the documents which should be verified by the Authorised Dealers while releasing foreign exchange. In this connection, attention of authorized dealers is drawn to sub-section (5) of Section 10 of the FEMA, 1999 (***as indicated in item 3 of Appendix 2***) which provides that an authorised person shall require any person wanting to transact in foreign exchange to make such a declaration and to give such information as will reasonably satisfy him that the transaction will not involve and is not designed for the purpose of any contravention or evasion of the provisions of the FEMA or any rule, regulation, notification, direction or order issued there under.

14.2 Authorised Dealers are also required to keep on record any information / documentation, on the basis of which the transaction was undertaken, for verification by the Reserve Bank. In case the applicant refuses to comply with any such requirement or makes unsatisfactory compliance therewith, the Authorised Dealer shall refuse, in writing, to undertake the transaction and shall, if he has reasons to believe that any contravention / evasion is contemplated by the person, report the matter to Reserve Bank.

14.3 Authorised Dealers have specifically been advised that they may release foreign exchange up to USD 100,000 each for employment, emigration, maintenance of close relatives, education and medical treatment abroad without insisting on any supporting documents but on the basis of self declaration incorporating certain basic details of the transactions and submission of Form A2. In addition, the existing facility of release of exchange by Authorised Persons up to USD 10,000 or its equivalent in one financial year for one or more private visits to any country (except Nepal and Bhutan) will continue to be available on a self declaration basis.

A.15 Endorsement on Passport

It is not mandatory for Authorised Dealers to endorse the amount of foreign exchange sold for travel abroad on the passport of the traveller. However, if requested by the traveller, they may record under their stamp, date and signature, details of foreign exchange sold for travel.

A.16 International Credit Cards

16.1 The restrictions contained in Rule 5 of the Foreign Exchange Management (Current Account Transactions) Rules, 2000 will not be applicable for use of International Credit Cards (ICCs) by residents for making payment towards expenses, while on a visit outside India.

16.2 Residents can use ICCs on internet for any purpose for which exchange can be purchased from an Authorised Dealer in India, e.g. for import of books, purchase of downloadable software or import of any other item permissible under Foreign Trade Policy (FTP).

16.3 ICCs cannot be used on internet or otherwise for purchase of prohibited items, like lottery tickets, banned or proscribed magazines, participation in sweepstakes, payment for call-back services, etc., since no drawal of foreign exchange is permitted for such items/activities.

16.4 There is no aggregate monetary ceiling separately prescribed for use of ICCs through internet.

16.5 Resident individuals maintaining foreign currency accounts with an Authorised Dealer in India or a bank abroad, as permissible under extant Foreign Exchange Regulations, are free to obtain ICCs issued by overseas banks and other reputed agencies. The charges incurred against the card either in India or abroad, can be met out of funds held in such foreign currency account/s of the card holder or through remittances, if any, from India only through a bank where the card holder has a current or savings

account. The remittance for this purpose should also be made directly to the card issuing agency abroad, and not to a third party.

16.6 The applicable limit will be the credit limit fixed by the card issuing banks. There is no monetary ceiling fixed by the Reserve Bank for remittances, if any, under this facility.

A.17 International Debit Cards

17.1 Banks authorised to deal in foreign exchange are issuing International Debit Cards (IDCs) which can be used by a resident for drawing cash or making payment to a merchant establishment overseas during his visit abroad. It is clarified that IDCs can be used only for permissible current account transactions and the item-wise limits as mentioned in the Schedules to Rules as amended from time to time, are equally applicable to payments made through use of these cards.

17.2 The IDCs cannot be used on internet for purchase of prohibited items like lottery tickets, banned or proscribed magazines, participation in sweepstakes, payment for call-back services, etc., i.e. for such items/activities for which drawal of foreign exchange is not permitted.

17.3 The International Banking Divisions/Foreign Exchange Departments of AD banks may submit a statement as on December 31, each year (as per proforma at Annex-5) in case the aggregate forex utilization by the IDC holders exceeds USD 100,000 in a calendar year. The statement should reach the Chief General Manager-in-Charge, Foreign Exchange Department, External Payments Division, Central Office, Mumbai- 400 001 on or before 20th January of the succeeding year.

A.18 Store Value Cards/Charge Cards/Smart Cards, etc.

Certain Authorised Dealer banks are also issuing Store Value Card/Charge Card/Smart Card to residents travelling on private/business visit abroad which

are used for making payments at overseas merchant establishments and also for drawing cash from ATM terminals. No prior permission from Reserve Bank is required for issue of such cards. However, the use of such cards is limited to permissible current account transactions and subject to the prescribed limits under the Rules, as amended from time to time.

A.19 Acquisition of foreign securities under Employees Stock Option Plan (ESOP)

Resident individuals who are either employees or director of an Indian office or branch of a foreign company in which foreign holding is not less than 51% are permitted to acquire foreign securities under ESOP Scheme without any monetary limit. They are also permitted to freely sell the shares provided the proceeds thereof are repatriated to India.

A.20 Income- tax clearance

Remittances to non-residents will be allowed to be made by the Authorised Dealers on production of an undertaking by the remitter and a Certificate from a Chartered Accountant in the formats (**Annex - 4**)prescribed by the Central Board of Direct Taxes, Ministry of Finance, Government of India in their Circular No.10/2002 dated October 9, 2002. [cf. A. P. (DIR Series) Circular No.56 dated November 26, 2002].

Annex-1

(Para A. 1.1 of Master Circular)

Foreign Exchange Management (Current Account Transactions) Rules, 2000

Notification No. G.S.R.381(E) dated 3rd May 2000 (as amended from time to time)* :

In exercise of the powers conferred by Section 5 and sub-section (1) and clause (a) of sub-section (2) of Section 46 of the Foreign Exchange Management Act, 1999, and in consultation with the Reserve Bank, the Central Government having considered it necessary in the public interest, makes the following rules, namely:--

1. Short title and commencement.---(1) These rules may be called the Foreign Exchange Management (Current Account Transactions) Rules, 2000; (2) They shall come into effect on the 1st day of June 2000.

2. Definitions.---**In these rules, unless the context otherwise requires :**

- (a) "Act" means the Foreign Exchange Management Act, 1999 (42 of 1999);
- (b) "Drawal" means drawal of foreign exchange from an authorised person and includes opening of Letter of Credit or use of International Credit Card or International Debit Card or ATM Card or any other thing by whatever name called which has the effect of creating foreign exchange liability;
- (c) "Schedule" means a schedule appended to these rules;
- (d) The words and expressions not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

3. Prohibition on drawal of Foreign Exchange---Drawal of foreign exchange by any person for the following purpose is prohibited, namely:

- a. a transaction specified in the Schedule I; or
- b. a travel to Nepal and/or Bhutan; or

c. a transaction with a person resident in Nepal or Bhutan.

Provided that the prohibition in clause (c) may be exempted by RBI subject to such terms and conditions as it may consider necessary to stipulate by special or general order.

4. Prior approval of Govt. of India.---No person shall draw foreign exchange for a transaction included in the Schedule II without prior approval of the Government of India;

Provided that this Rule shall not apply where the payment is made out of funds held in Resident Foreign Currency (RFC) Account of the remitter.

5. Prior approval of Reserve Bank

No person shall draw foreign exchange for a transaction included in the Schedule III without prior approval of the Reserve Bank;

Provided that this Rule shall not apply where the payment is made out of funds held in Resident Foreign Currency (RFC) Account of the remitter.

6. (1) Nothing contained in Rule 4 or Rule 5 shall apply to drawal made out of funds held in Exchange Earners' Foreign Currency (EEFC) account of the remitter.

(2) Notwithstanding anything contained in sub-rule (1), restrictions imposed under rule 4 or rule 5 shall continue to apply where the drawal of foreign exchange from the Exchange Earners Foreign Currency (EEFC) Account is for the purpose specified in items 10 and 11 of Schedule II, or item 3, 4, 11, 16 & 17 of Schedule III as the case may be.

7. Use of International Credit Card while outside India

Nothing contained in Rule 5 shall apply to the use of International Credit Card for making payment by a person towards meeting expenses while such person is on a visit outside India.

Schedule I
Transactions which are Prohibited (see rule 3)

1. Remittance out of lottery winnings.
2. Remittance of income from racing/riding etc. or any other hobby.
3. Remittance for purchase of lottery tickets, banned /proscribed magazines, football pools, sweepstakes, etc.
4. Payment of commission on exports made towards equity investment in Joint Ventures / Wholly Owned Subsidiaries abroad of Indian companies.
5. Remittance of dividend by any company to which the requirement of dividend balancing is applicable.
6. Payment of commission on exports under Rupee State Credit Route, except commission up to 10% of invoice value of exports of tea and tobacco.
7. Payment related to "Call Back Services" of telephones.
8. Remittance of interest income on funds held in Non-Resident Special Rupee (Account) Scheme.

Schedule II

Transactions which require prior approval of the Central Government

(see Rule 4)

Purpose of Remittance	Ministry / Department of Govt. of India whose approval is required
1. Cultural Tours	Ministry of Human Resources Development, (Department of Education and Culture)
2. Advertisement in foreign print media for the purposes other than promotion of tourism, foreign investments and international bidding (exceeding USD 10,000) by a State Government and its Public Sector Undertakings	Ministry of Finance, (Department of Economic Affairs)
3. Remittance of freight of vessel chartered by a PSU	Ministry of Surface Transport, (Chartering Wing)
4. Payment of import through ocean transport by a Govt. Department or a PSU on c.i.f. basis (i.e. other than f.o.b. and f.a.s. basis)	Ministry of Surface Transport, (Chartering Wing)
5. Multi-modal transport operators making remittance to their agents abroad	Registration Certificate from the Director General of Shipping
6. Remittance of hiring charges of transponders by (a) TV Channels (b) Internet Service providers	Ministry of Information and Broadcasting Ministry of Communication and Information Technology
7. Remittance of container detention charges exceeding the rate prescribed by Director General of Shipping	Ministry of Surface Transport (Director General of Shipping)

<p>8. Remittances under technical collaboration agreements where payment of royalty exceeds 5% on local sales and 8% on exports and lump-sum payment exceeds USD 2 million</p>	<p>Ministry of Commerce and Industry</p>
<p>9. Remittance of prize money/sponsorship of sports activity abroad by a person other than International / National / State Level sports bodies, if the amount involved exceeds USD 100,000.</p>	<p>Ministry of Human Resources Development (Department of Youth Affairs and Sports)</p>
<p>10. Omitted</p>	
<p>11. Remittance for membership of P&I Club</p>	<p>Ministry of Finance (Insurance Division)</p>

Schedule III
(See Rule 5)

1. Omitted
 2. Release of exchange exceeding USD 10,000 or its equivalent in one calendar year, for one or more private visits to any country (except Nepal and Bhutan).
 3. @Gift remittance exceeding USD 5,000 per remitter/donor per annum.
 4. # Donation exceeding USD 5000 per remitter/donor per annum.
 5. Exchange facilities exceeding USD 100,000 for persons going abroad for employment.
 6. Exchange facilities for emigration exceeding USD 100,000 or amount prescribed by country of emigration.
 7. Remittance for maintenance of close relatives abroad,
 - i. exceeding net salary (after deduction of taxes, contribution to provident fund and other deductions) of a person who is resident but not permanently resident in India and –
 - (a) is a citizen of a foreign State other than Pakistan; or
 - (b) is a citizen of India, who is on deputation to the office or branch or subsidiary or joint venture in India of such foreign company.
 - ii. exceeding USD 100,000 per year, per recipient, in all other cases.
- Explanation:*** For the purpose of this item, a person resident in India on account of his employment or deputation of a specified duration (irrespective of length thereof) or for a specific job or assignment; the duration of which does not exceed three years, is a resident but not permanently resident.
8. Release of foreign exchange, exceeding USD 25,000 to a person, irrespective of period of stay, for business travel, or attending a conference or specialised training or for maintenance expenses of a patient going abroad for medical treatment or check-up abroad, or for accompanying as attendant to a patient going abroad for medical treatment/check-up.
 9. Release of exchange for meeting expenses for medical treatment abroad exceeding the estimate from the doctor in India or hospital/doctor abroad.

10. Release of exchange for studies abroad exceeding the estimate from the institution abroad or USD 100,000, per academic year, whichever is higher.
11. Commission, per transaction, to agents abroad for sale of residential flats or commercial plots in India exceeding USD 25,000 or 5% of the inward remittance whichever is more.
12. Omitted
13. Omitted
14. Omitted
15. \$ Remittance exceeding USD 1,000,000 per project, for any consultancy service procured from outside India.
16. Omitted
17. * Remittance exceeding USD 100,000 by an entity in India by way of reimbursement of pre-incorporation expenses.
18. Omitted

(Amendments)

Notification GSR.663 (E) dated August 17, 2000,
S.O.301(E) dated March 30, 2001,
GSR.442(E) dated November 2, 2002,
GSR.831(E) dated December 20, 2002,
GSR.33(E) dated January 16, 2003,
GSR.397(E) dated May 14, 2003,
GSR.731(E) dated September 11, 2003,
GSR.849(E) dated October 29, 2003,
GSR.608(E) dated September 13, 2004,
G.S.R.512(E) dated July 28,2005,
G.S.R.412(E) dated July 11, 2006, and
G.S.R.511(E) dated July 28, 2006.

Please Note:

@ Stands amended vide A.P. (DIR Series) Circular No. 24 dated December 20, 2006.

Stands amended vide A.P. (DIR Series) Circular Nos. 24 and 45 dated December 20, 2006 and April 30, 2007, respectively.

\$ Stands amended vide A.P. (DIR Series) Circular No. 46 dated April 30, 2007.

* Stands amended vide A.P. (DIR Series) Circular No. 47 dated April 30, 2007.

FORM - A 2

Application cum Declaration Form

(To be completed by the applicant)

Application for drawal of foreign exchange

- I. Details of the applicant -
- a. Name _____
 - b. Address _____
 - c. Account No. _____
- II. Details of the foreign exchange required
- 1. Amount (Specify currency) _____
 - 2. Purpose _____
- III. I authorise you to debit my Saving Bank/Current/RFC/EEFC Account No. _____ together with your charges and
- * a) Issue a draft : Beneficiary's Name _____
Address _____
 - * b) Effect the foreign exchange remittance directly -
 - 1. Beneficiary's Name _____
 - 2. Name and address of the Bank _____
 - 3. Account No. _____
 - * c) Issue travellers cheques for _____
 - * d) Issue foreign currency notes for _____
- (Strike out whichever is not applicable)

Signature

Declaration
(Under FEMA 1999)

I, _____ declare that -

*1) The total amount of foreign exchange purchased from or remitted through, all sources in India during this calendar year including this application is within USD _____ (USD _____ only), the annual limit prescribed by Reserve Bank of India for the said purpose.

* 2) Foreign exchange purchased from you is for the purpose indicated above.

(Strike out whichever is not applicable)

Signature

Name

Date :

(The purpose codes are on the reverse)

Purpose codes
For office use only

AD Code No. _____

Form No. _____

Currency _____

Amount _____

Equivalent to Rs. _____

(To be filled in by Authorised Dealer)

ADs should put a tick () against an appropriate purpose code. (In case of doubt/difficulty, consult customer/RBI.)

Code	Purpose	Computer and Information Services (08)
	Capital Account Transactions (00)	S0801
		Hardware consultancy/implementation
		S0802
S0001	Indian investment abroad in equity capital (shares)	Software consultancy/implementation
		S0803
S0002	Indian investment abroad in debt securities	Data base, data processing charges
		S0804
S0003	Indian investment abroad in branches	Repair and maintenance of computer and software
		S0805
S0004	Indian investment abroad in subsidiaries and associates	News agency services
		S0806
S0005	Indian investment abroad in real estate	Other information services - Subscription to newspapers, periodicals
		Royalties and License Fees (09)
S0006	Repatriation of Foreign Direct Investment in India- in equity shares	S0901
		Franchises services - patents, copyrights, trade marks, industrial processes, franchises etc.
S0007	Repatriation of Foreign Direct Investment in India- in debt securities	S0902
		Payment for use, through licensing arrangements, of produced originals or prototypes (such as manuscripts and films)
S0008	Repatriation of Foreign Direct Investment in India in real estate	
		Other Business Services (10)
S0009	Repatriation of Foreign Portfolio Investment in India in equity shares	S1001

S0010	Repatriation of Foreign Portfolio Investment in India in debt securities	Merchanting services –net payments (from Sale & purchase of goods without crossing the border).
S0011	Loans extended to Non-Residents	S1002 Trade related services - commission on exports / imports
S0012	Repayment of long and medium-term loans with original maturity above one year received from Non-Residents.	S1003 Operational leasing services (other than financial leasing) without operating crew, including charter hire
S0013	Repayment of short-term loans with original maturity up to one year received from Non-Residents.	S1004 Legal services
S0014	Repatriation of Non-Resident Deposits (FCNRB/NRERA etc)	S1005 Accounting, auditing, book keeping and tax consulting services
S0015	Repayment of loans & overdrafts taken by ADs on their own account.	S1006 Business and management consultancy and public relations services
S0016	Sale of a foreign currency against another foreign currency	S1007 Advertising, trade fair, market research and public opinion polling service
S0017	Purchase of intangible assets like patents, copyrights, trade marks etc.	S1008 Research & Development services
S0018	Other capital payments not included elsewhere	S1009 Architectural, engineering and other technical services
Transportation (02)		S1010 Agricultural, mining and on-site processing services- protection against insects & disease, increasing of harvest yields, forestry services, mining services like analysis of ores etc.
S0201	Payments for surplus freight/passenger fare by foreign shipping companies operating in India.	S1011 Payments for maintenance of offices abroad
S0202	Payment for operating expenses of Indian shipping companies operating abroad.	S1012 Distribution services
S0203	Freight on imports - Shipping companies	S1013 Environmental services
S0204		S1019

Freight on exports - Shipping companies	Other services not included elsewhere
S0205	Personal, Cultural and Recreational Services (11)
Operational leasing (with crew) -Shipping companies	S1101
S0206	Audio-visual and related services -services and associated fees related to production of motion pictures, rentals, fees received by actors, directors, producers and fees for distribution rights.
Booking of passages abroad -Shipping companies	S1102
S0207	Personal, cultural services such as those related to museums, libraries, archives and sporting activities; fees for correspondence courses abroad.
Payments for surplus freight/passenger fare by foreign Airlines companies operating in India,	Government not included elsewhere (g.n.i.e.) (12)
S0208	
Operating expenses of Indian Airlines companies operating abroad	S1201
S0209	Maintenance of Indian embassies abroad
Freight on imports - Airlines companies	SI 202
S0210	Remittances by foreign embassies in India
Freight on exports - Airlines companies	Transfers (13)
S0211	S1301
Operational leasing (with crew) -Airlines companies	Remittance by non-residents towards family maintenance and savings
S0212	S1302
Booking of passages abroad - Airlines companies	Remittance towards personal gifts and donations
S0213	S1303
Payments on account of stevedoring, demurrage, port handling charges etc.	Remittance towards donations to religious and charitable institutions abroad
Travel (03)	S1304
S0301	Remittance towards grants and donations to other governments and charitable institutions established by the governments.
Remittance towards Business travel.	S1305
S0302	Contributions/donations by the Government to international institutions
Travel under basic travel quota (BTQ)	S1306
S0303	Remittance towards payment / refund of taxes.
Travel for pilgrimage	
S0304	
Travel for medical treatment	
S0305	
Travel for education (including fees, hostel expenses	

etc.)	Income (14)
S0306	
Other travel (international credit cards)	S1401
Communication Services (04)	Compensation of employees
	S1402
S0401	Remittance towards interest on Non-Resident deposits (FCNRB/NRERA/ NRNRD/NRSR etc.)
Postal services	
S0402	S1403
Courier services	Remittance towards interest on loans from Non-Residents (ST/MT/LT loans)
S0403	S1404
Telecommunication services	Remittance of interest on debt securities - debentures /bonds/FRNs etc.
S0404	S1405
Satellite services	Remittance towards interest payment by ADs on their own account (to VOSTRO a/c holders or the OD on NOSTRO a/c.)
Construction Services (05)	
S0501 ,	S1406
Construction of projects abroad by Indian companies including import of goods at project site	Repatriation of profits
S0502	S1407
Payments for cost of construction etc. of projects executed by foreign companies in India.	Payment/ repatriation of dividends
Insurance Services (06)	Others (15)
	S1501
S0601	Refunds / rebates / reduction in invoice value on account of exports
Payments for Life insurance premium	S1502
S0602	Reversal of wrong entries, refunds of amount remitted for non exports
Freight insurance - relating to import & export of goods	S1503
S0603	Payments by residents for international bidding
Other general insurance premium	S1504
S0604	Notional sales when export bills negotiated/ purchased/discounted are dishonoured/crystallized/cancelled of bills and reversed from suspense accounts.
Reinsurance premium	
S0605	
Auxiliary services (commission on insurance)	

S0606

Settlement of claims

Financial Services (07)

S0701

Financial intermediation except investment banking - Bank charges, collection charges, LC charges, cancellation of forward contracts, commission on financial leasing etc.

S0702

Investment banking - brokerage, underwriting commission etc.

S0703

Auxiliary services - charges on operation & regulatory fees, custodial services, depository services etc.

Annex – 3
(Para 13.8 of Master Circular)

**Application-cum- Declaration for purchase of foreign exchange under
the
Liberalised Remittance Scheme of USD 2,00,000 for Resident Individuals
(To be completed by the applicant)**

I

- I Details of the applicant
- a. Name
 - b. Address.....
 - c. Account No.....
 - d. PAN No.....
- II Details of the foreign exchange required
- 1. Amount (Specify currency).....
 - 2. Purpose
- III Source of funds:
- IV Nature of instrument
- Draft.....
- Direct remittance.....
- V Details of the remittance made under the scheme in the financial year
(April - March) 200
- | Date | Amount |
|------|--------|
|------|--------|
- VI Details of the Beneficiary
- 1. Name
 - 2. Address
 - 3. Country
 - * 4. Name and address of the bank.....
 - * 5. Account No.....

(* Required only when the remittance is to be directly credited to the bank account of the beneficiary)

This is to authorize you to debit my account and effect the foreign exchange remittance/issue a draft as detailed above. (strike out whichever is not applicable).

Declaration

I,, hereby declare that the total amount of foreign (Name) exchange purchased from or remitted through, all sources in India during the current financial year as per item No. V of the Application, is within the limit of USD 200,000/- (US Dollar two hundred thousand only), which is the limit prescribed by the Reserve Bank for the purpose and certify that the source of funds for making the said remittance belongs to me and will not be used for prohibited purposes.

Signature of the applicant
(Name)

Certificate by the Authorised Dealer

This is to certify that the remittance is not being made by/ to ineligible entities and that the remittance is in conformity with the instructions issued by Reserve Bank from time to time under the Scheme.

Signature:

Name and designation of the authorised official:

Place:

Date: Stamp and seal

FORM & APPLICATION FOR REMITTANCE U/S 195 OF THE INCOME TAX ACT

1.	Name and Address of the Applicant and principal place of business	
2.	Name and Address of the Assessing Officer having jurisdiction over the remitters	
3.	Applicant's PAN Number	
4.	Name and address of the beneficiary of the remittance and the country to which remittance is made	
5.	Amount and nature of remittance	
6.	Rate of Deduction of Tax at Source	
7.	Reference to Provision of Act/DTAA under which the rate has been determined	

8. Certificate

- (i) I/we propose to make the above remittance as per deduction of tax at source indicated above. We have obtained a certificate from M/s. _____ who is an accountant as defined in the Section 288 of the I.T. Act, certifying the amount, nature and correctness of deduction of tax at source.
- (ii) In case the I.T. authority at any time finds that tax actually deductible on the amount of remittance has either not been paid or not paid in full, I/we undertake to pay the said amount of tax along with interest due.
- (iii) I/we shall also be subjected to the provisions of penalty for the said default as per the provisions of I.T. Act.
- (iv) I/we undertake to submit the requisite documents etc. for enabling the I.T. Authorities to determine the nature and amount of income of the beneficiary of the above remittance as well as documents required for determining our liabilities under the I.T. Act as a person responsible for deduction of tax at source.
- (v) The information given above is true to the best of my/our knowledge and belief and no relevant information has been concealed.

Name and Signature

[To be signed by a person responsible for signing the return of income (as to provisions of section 139(A) of the Income-tax Act) of the person making the remittance] _____

CERTIFICATE

I/we have examined the agreement (wherever applicable) between M/s _____ (remitters) and M/s _____ (beneficiary) requiring the above remittance as well as the relevant documents and books of accounts required for ascertaining the nature of remittance and for determining the rate of deduction of tax at source as per provisions of section 195. We hereby certify the following :

1.	Name and address of the beneficiary of the remittance and the name of the foreign country to which remittance is being made.			
2.	Amount of remittance in foreign currency indicating the proposed date/month and bank through which remittance is being made.			
3.	Details of tax deducted at source, rate at which tax has been deducted and date of deduction.		Foreign Currency	Indian @ Currency
		Amount to be remitted		
		Tax deducted at source		
		Actual amount remitted		
		Rate at which deducted		
		Date of Deduction		
4.	In case the remittance as indicated in (2) above is net of taxes, whether tax payable has been grossed up? If so, computation thereof may be indicated.			
5.	If the remittance is for royalties, fee for technical services, interest, dividend, etc., the clause of the relevant DTAA under which the remittance is covered along with reasons and the rate at which tax is required to be deducted in terms of such clause of the applicable DTAA.			
6.	In case the tax has been			

	deducted at a rate lower than that prescribed under the applicable DTAA, the reasons thereof.	
7.	In case remittance is for supply of articles or things (e.g. plant, machinery, equipment, etc.) or computer software, please indicate:- (i) Whether there is any permanent establishment in India through which the beneficiary of the remittance is directly or indirectly carrying on such activity of supply of articles or things? (ii) Whether such remittance is attributable to or connected with such permanent establishment? (iii) If so, the amount of income comprised in such remittance which is liable to tax. (iv) If not, the reasons in brief thereof.	
8.	In case remittance is on account of business income please indicate :- (i) Whether such income is liable to tax in India? (ii) If so, the basis for arriving at the rate of deduction of tax. (iii) If not, the reasons thereof.	
9.	In case tax is not deducted at source for any other reason, details thereof.	

(Attach separate sheet duly authenticated wherever necessary).

Name, Address and registration numbers

(To be signed and verified by an Accountant as defined in Section 288 of the Income-tax Act).

Format

Statement indicating the details of forex utilization of IDCs for amount exceeding USD 100,000 in a calendar year - As on December 31,_____

Name of the Bank:

Name of the Account holder	Amount (in USD)		Remarks
	Drawn in Cash	Used at merchant establishments	

Signature :

Name & Designation :

Date :

Seal :

ANNEX-6**Statement / Returns to be submitted to the Reserve Bank**

Sl.No.	Description	Periodicity	Ref.No.
1	Statement indicating the details of forex utilization of IDCs for amount exceeding USD 100,000 in a calendar year	Annual (as on 31 st December)	A.P.(DIR Series) Circular No. 46 dated June 14, 2005
2	Liberalised Remittance Scheme for Resident Individuals	Monthly	A.P. (DIR Series) Circular No. 36 dated April 4, 2008. (Please see Annex -8)

**Operational Instructions for Authorised Dealer Banks
Master Circular on Miscellaneous Remittances from India –
Facilities for Residents**

1. General

Authorised Dealers may carefully study the provisions of the Act / Regulations / Notifications issued under Foreign Exchange Management Act, 1999.

Reserve Bank will not prescribe the documents which should be verified by the Authorised Dealers while permitting remittances for various transactions, particularly of current account.

In terms of the provisions contained in sub-section 5 of section 10 of the Act, before undertaking any transaction in foreign exchange on behalf of any person, Authorised Dealer is required to obtain a declaration and such other information from the person (applicant) on whose behalf the transaction is being undertaken that will reasonably satisfy him that the transaction is not designed to contravene or evade the provisions of the Act or any of the Rules or Regulations made or Notifications or directions or orders issued under the Act. Authorised Dealers should preserve the information / documents obtained by them from the applicant before undertaking the transactions for verification by the Reserve Bank.

In case the person on whose behalf the transaction is being undertaken refuses or does not give satisfactory compliance of the requirements of an authorised person, he shall refuse in writing to undertake the transactions. Where an authorized person has reasons to believe that a contravention or evasion of the Act or the Rules or Regulations made or Notifications issued there under was contemplated in the transaction that he has refused to undertake, he shall report the matter to the Reserve Bank.

With a view to maintaining uniform practices, Authorized Dealers may consider requirements or documents to be obtained by their branches to ensure compliance with provisions of sub-section (5) of section 10 of the Act. In terms of the Rule 3 of the Foreign Exchange Management (Current Account Transactions) Rules, 2000, drawal of foreign exchange for the transactions included in Schedule I thereto is prohibited.

Authorised Dealers may release foreign exchange for transactions included in Schedule II to the Rules, provided the applicant has secured the approval from the Ministry/Department of Government of India indicated against the transaction.

In respect of transactions included in Schedule III, where the remittance applied for exceeds the limit, if any, indicated in the schedule or other transactions included in the Schedule III for which no limit have been stipulated would require prior approval of Reserve Bank. However, resident individual has the option to avail the Liberalised Remittance Scheme for Resident Individuals for making additional amount of remittance, subject to compliance with the terms and conditions of the Scheme. Remittances for all other current Account transactions which are not specifically prohibited under the Rules or which are not included in Schedule II or III may be permitted by the Authorised Dealers without any monetary/percentage ceilings subject to compliance with the provisions of subsection (5) of Section 10 of the Act. Remittances for transactions included in Schedule III may be permitted by Authorised Dealers up to the ceiling prescribed thereto.

Remittances to non-residents are allowed to be made by the Authorised Dealers on production of an undertaking by the remitter and a Certificate from a Chartered Accountant in the formats prescribed by the Central Board of Direct Taxes, Ministry of Finance, Government of India in their Circular No.10/2002 dated October 9, 2002. [cf. Our A.P. (DIR Series) Circular No.56 dated November 26, 2002].

2. Release of foreign exchange on self declaration basis

Authorised Dealers may allow remittances up to USD 100,000 each towards (i) employment abroad (ii) emigration (iii) maintenance of close relatives abroad (iv) education abroad and (v) medical treatment abroad without insisting on any supporting documents but on the basis of self declaration incorporating the basic details of the transaction and submission of Application in Form A2. Authorised Dealers should also ensure that payment for purchase of foreign exchange is made by the applicant by means of cheque or demand draft or by debit to his/her account. Authorised Dealer may also accept the payment through credit /debit/prepaid card of the card holder as stipulated in our A.P. (DIR Series) Circular No.40 dated December 10, 2008. In addition, the existing facility of release of exchange by Authorised Persons up to USD 10,000 or its equivalent in one financial year for one or more private visits to any country (except Nepal and Bhutan) will continue to be available on a self-declaration basis.

3. Small Value Remittances

Authorized dealers may release foreign exchange not exceeding USD 5,000 or its equivalent, for all permissible current account transactions. Authorised Dealers may obtain **simplified Application-cum-Declaration** form (Form A2) as shown at **Annex - 2**.

4. Liberalized Remittance Scheme for Resident Individuals

The remittance under the Scheme is available to the resident individuals for any permitted current or capital account transactions or a combination of both. The facility under the Scheme is in addition to those already included in Schedule III of Foreign Exchange Management (Current Account Transactions) Rules, 2000. Remittances towards gift and donations have been subsumed under the Scheme.

Under the scheme, resident individuals can acquire and hold immovable property or shares (listed or otherwise) or debt instruments or any other assets outside India ,without prior approval of the Reserve Bank. They can also open, maintain and hold foreign currency accounts with banks outside India .However remittance from India for margin or margin calls to overseas exchanges/overseas counterparty are not allowed under the scheme.

The individual will have to designate a branch of an AD through which all the remittances under the scheme will be made. It is mandatory to have PAN number to make remittances under the Scheme.

While allowing the facility to resident individuals, Authorised Dealers are required to ensure that “ **Know Your Customer**” guidelines have been implemented in respect of bank accounts. They should also comply with the **Anti-Money Laundering Rules** in force while allowing the facility.

The applicants should have maintained the bank account with the bank for a minimum period of one year prior to the remittance. If the applicant seeking to make the remittance is a new customer of the bank, Authorised Dealers should carry out due diligence on the opening, operation and maintenance of the account. Further, the Authorised Dealers should obtain bank statement for the previous year from the applicant to satisfy themselves regarding the source of funds. If such a bank statement is not available, copies of the latest Income Tax Assessment Order or Return filed by the applicant may be obtained.

The Authorised Dealer should ensure that the payment is received out of funds belonging to the person seeking to make the remittance, by a cheque drawn on the applicant's bank account or by debit to his account or by Demand Draft / Pay Order. The banks should not extend any kind of credit facilities to resident individuals to facilitate remittances under the Scheme.

The remittances made under this Scheme will be reported in the R-Return in the normal course. The Authorised Dealers may also prepare and keep on

record dummy Form A2, in respect of remittances exceeding USD 5000. In addition, Authorised Ds would also furnish information on the number of applicants and total amount remitted under the Scheme, on a **monthly basis**, to the Reserve Bank of India, Foreign Exchange Department (EPD), Central Office, Mumbai.

Annex 8

(Para A.13.9 of Master Circular)

[A.P. (DIR Series) Circular No.36 dated April 4, 2008]

Format

Statement indicating the details of remittances made by resident individuals under the Liberalised Remittance Scheme for the month ended

Name of the Bank:

Sl.No.	Purpose of remittance	No. of applicants	Amount remitted in USD
1.	Deposit		
2.	Purchase of immovable property		
3.	Investment in equity/debt		
4.	Gift		
5.	Donation		
6.	Travel		
7.	Maintenance of close relatives		
8.	Medical Treatment		
9.	Studies abroad		
10.	Others (please specify, enclose a separate sheet, if necessary)		
Total			

Name and designation of the authorised official:

Place:

Signature

Date:

Stamp and seal

APPENDIX-1

List of circulars, which have been consolidated in the Master Circular- Miscellaneous Remittances from India - Facilities for Residents

http://www.rbi.org.in/Scripts/BS_ApCircularsDisplay.aspx

http://www.rbi.org.in/Scripts/Bs_FemaNotifications.aspx

Sl. No.	Circular No.	Date
1.	A.P.(DIR Series) Circular No.1	June 1, 2000
2.	A.P.(DIR Series) Circular No.19	October 30, 2000
3.	A.P.(DIR Series) Circular No.20	November 16, 2000
4.	A.P.(DIR Series) Circular No.11	November 13, 2001
5.	A.P.(DIR Series) Circular No.12	November 23, 2001
6.	EC.CO.FMD.599/18.08.01/2001-02	January 21,2002
7.	A.P.(DIR Series) Circular No.53	June 27,2002
8.	A.P.(DIR Series) Circular No.16	September 12,2002
9.	AP (DIR Series) Circular No.17	September 12, 2002
10.	AP (DIR Series) Circular No.37	November 1, 2002
11.	A.P.(DIR Series) Circular No.51	November 18, 2002
12.	AP (DIR Series) Circular No.53	November 23, 2002
13.	AP (DIR Series) Circular No.54	November 25, 2002
14.	AP (DIR Series) Circular No.56	November 26,2002
15.	AP (DIR Series) Circular No.64	December 24, 2002
16.	AP (DIR Series) Circular No.65	January 6, 2003
17.	AP (DIR Series) Circular No.73	January 24, 2003
18.	AP (DIR Series) Circular No.103	May 21, 2003
19.	AP (DIR Series) Circular No.3	July 17,2003
20.	AP (DIR Series) Circular No.7	August 12,2003
21.	AP (DIR Series) Circular No.8	August 16,2003
22.	AP (DIR Series) Circular No.33	November 13,2003
23.	AP (DIR Series) Circular No.55	December 23,2003
24.	AP (DIR Series) Circular No.64	February 4,2004
25.	AP (DIR Series) Circular No.71	February 20,2004
26.	AP (DIR Series) Circular No.76	February 24,2004
27.	AP (DIR Series) Circular No.77	March 13,2004
28.	AP (DIR Series) Circular No.86	April 17,2004
29.	AP (DIR Series) Circular No.90	May 3, 2004
30.	AP (DIR Series) Circular No.20	October 25,2004

31	AP (DIR Series) Circular No.38	March 31,2005
32	AP (DIR Series) Circular No.46	June 14,2005
33	AP (DIR Series) Circular No.25	March 6, 2006
34	AP (DIR Series) Circular No.13	November 17,2006
35	AP (DIR Series) Circular No. 14	November 28,2006
36	AP (DIR Series) Circular No. 24	December 20,2006
37	AP (DIR Series) Circular No. 38	April 5,2007
38	AP (DIR Series) Circular No. 58	May 18, 2007
39	AP (DIR Series) Circular No. 9	September 26, 2007
40	AP (DIR Series) Circular No. 36	April 4, 2008
41	Foreign Exchange Management (Current Account Transactions) Rules,2000	May3, 2000 (and subsequent amendments) (Please see page 28)
42	A.P. (DIR Series) Circular No.15	September 8, 2008
43	<u>A.P. (DIR Series) Circular No.40</u> A.P. (F. L. Series) Circular No.03	December 10, 2008

APPENDIX-2

1. Section 5 of FEMA, 1999. Current Account Transactions

Any person may sell or draw foreign exchange to or from an authorised person if such sale or drawal is a current account transaction:

Provided that the Central Government may, in public interest and in consultation with the Reserve Bank, impose such reasonable restrictions for current account transactions as may be prescribed. **(para A.1.1 of Master Circular)**

2. Rule 3 of FEM (CAT) Rules, 2000

Prohibition on drawal of Foreign Exchange - Drawal of foreign exchange by any person for the following purpose is prohibited, namely:-

(a) a transaction specified in the Schedule I; or (b) a travel to Nepal and/or Bhutan; or (c) a transaction with a person resident in Nepal or Bhutan; Provided that the prohibition in clause (c) may be exempted by RBI subject to such terms and conditions as it may consider necessary to stipulate by special or general order.

(para A.1.4 of Master Circular)

3. Sub-section (5) of Section 10 of the FEMA, 1999

An authorized person shall before undertaking any transaction in foreign exchange on behalf of any person, require that person to make such declaration and to give such information as will reasonably satisfy him that the transaction will not involve, and is not designed for the purpose of any contravention or evasion of the provisions of this Act or of any rule, regulation, notification, direction or order made thereunder , and where the said person refuses to comply any such requirement or makes only unsatisfactory compliance therewith , the authorized person shall refuse in writing to undertake the transaction and shall , if he has reason to believe that any such contravention or evasion as aforesaid is contemplated by the person, report the matter to the Reserve Bank. **(para A.14.1 of Master Circular)**