

**Resident Foreign Currency (Domestic)
Account - Facility for Resident Individuals
A.P. (DIR Series) Circular No.53 (November 23, 2002)**

Reserve Bank of India
Exchange Control Department
Central Office,
Mumbai 400 001

A.P. (DIR Series) Circular No.53

November 23, 2002

To
All Authorised Dealers in Foreign Exchange

Madam/Sirs,

**Resident Foreign Currency (Domestic)
Account - Facility for Resident Individuals**

Attention of authorised dealers is invited to A.P. (DIR Series) Circular No.37 dated November 1, 2002 in terms of which, pending publication of the Notification by the Government, they are required to forward the request received by them for opening of Resident Foreign Currency (Domestic) Accounts to Regional Office of the Reserve Bank with their recommendations.

2. Reserve Bank has issued Notification No.FEMA.74/2002-RB dated November 1, 2002 (copy enclosed) amending its Notification No.FEMA.10/ 2000-RB dated May 3, 2000 allowing a person resident in India to open, hold and maintain with an authorised dealer in India a foreign currency account to be known as Resident Foreign Currency (Domestic) Account out of foreign exchange acquired in the form of currency notes, bank notes and travellers cheques.

3. Accordingly, it will be in order for authorised dealers to open, hold and maintain such account for a person resident in India subject to compliance with the terms and conditions stipulated in the Notification and A.P. (DIR Series) Circular No.37 referred to above.

4. Necessary amendments may be carried out in Notification No.FEMA.10/ 2000-RB dated May 3, 2000 as indicated in Notification No.FEMA.74/2002-RB dated November 1, 2002.

5. Authorised dealers may bring the contents of the circular to the notice of their constituents concerned.

6. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,
Grace Koshie
Chief General Manager

Reserve Bank of India
(Exchange Control Department)
Central Office
Mumbai

Notification No. FEMA.74/2002-RB.

Dated: November 1, 2002

**Foreign Exchange Management (Foreign Currency Accounts by a
Person Resident in India) (Amendment) Regulations, 2002**

In exercise of the powers conferred by clause (b) of Section 9 and clause (e) of sub-section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), and in partial modification of its Notification No. FEMA 10/2000-RB dated May 3, 2000, the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations 2000, namely :-

1. Short title and commencement

- (a) These Regulations may be called the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) (Fifth Amendment) Regulations, 2002.
- (b) They shall come into force on their publication in the Official Gazette.

2. Amendment of the Regulations

In the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2000, after Regulation 5 the following Regulation shall be added, namely :

“5 A. Opening, holding and maintaining a Resident Foreign Currency (Domestic) Account

(1) A person resident in India may open, hold and maintain with an Authorised Dealer in India a foreign currency account, to be known as Resident Foreign Currency (Domestic) Account, out of foreign exchange acquired in the form of currency notes, bank notes and travellers cheques :

- (a) 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; or
 - (b) from any person not resident in India and who is on a visit to India, as honorarium or gift or for services rendered or in settlement of any lawful obligation; or
 - (c) by way of honorarium or gift while on a visit to any place outside India; or
 - (d) represents the unspent amount of foreign exchange acquired by him from an authorised person for travel abroad.
- (2) Debits to the account shall be for payments towards a current account transaction in accordance with the provisions of the Foreign Exchange Management (Current Account Transactions) Rules, 2000 and towards a capital account transaction permissible under the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000.
- (3) The account shall be maintained in the form of Current Account and shall not bear any interest.
- (4) There shall be no ceiling on the balances in the account.”

**Sd/
(K.J.Udeshi)
Executive Director**