

**Foreign Exchange Management Act, 1999 – Current Account Transactions – Use of
International Credit Cards abroad
A.P.(DIR Series) Circular No.73 (January 24, 2003)**

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

January 24, 2003

A.P.(DIR Series) Circular No.73
To
All Authorised Dealers in Foreign Exchange

Madam/Sir,

**Foreign Exchange Management Act, 1999 –
Current Account Transactions –
Use of International Credit Cards abroad**

Attention of authorised dealers is invited to the Government of India Notification No.G.S.R.381(E) dated 3rd May 2000, notifying the Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended vide Notification No.S.O.301(E) dated 30th March 2001, in terms of which drawal of exchange for certain current account transactions has been prohibited and restrictions have been placed on certain other transactions.

2. Government of India has since issued Notification No.G.S.R.33(E) dated 15th January 2003 (copy enclosed) amending the Notification No.G.S.R.381(E) dated 3rd May 2000. Authorised dealers are, accordingly, advised that the restrictions contained in Rule 5 of the Foreign Exchange Management (Current Account Transactions) Rules, 2000, requiring prior approval of Reserve Bank, will not be applicable for use of International Credit Cards (ICCs) by residents for making payment towards expenses, while on a visit outside India, to the extent of the limit of the card. Further, while no separate monetary/item-wise ceiling is imposed by Reserve Bank for use of ICCs under Foreign Exchange Management Act, 1999, the restriction on the use of ICCs for purchase of prohibited items, like lottery tickets, banned or proscribed magazines, participation in sweep-stakes, payment for call-back services, etc., would continue.

3. Authorised Dealers may bring the contents of this circular to the notice of their constituents concerned.

4. 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

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No.23 Ministry of Finance and Company Affairs,
(Department of Economic Affairs)

NOTIFICATION

New Delhi, the 15th January, 2003

G.S.R.33(E) - 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 (42 of 1999), and in consultation with Reserve Bank, the Central Government having considered it necessary in the public interest, makes the following amendments in the Foreign Exchange Management (Current Account Transactions) Rules, 2000, namely :-

1. **Short title and commencement** - (1) These rules may be called the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2003.
(2) They shall come into force from the date of their publication in the Official Gazette.

2. In the foreign Exchange Management (Current Account Transactions) Rules, 2000, after rule 6, the following rule shall be inserted, namely :-

‘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”.

Foot note : The Principal rules were published in the Official Gazette vide G.S.R.381(E) dated 3rd May, 2000 in Part II, Section 3, Sub-section (i) and subsequently amended vide S.O.301(E) dated 30th March, 2001.

[F.No.1/5/EC/2000 Vol.II]
SANJIVA MISRA, Jt. Secy.