

Current Account Transactions - Liberalisation
A.P.(DIR Series) Circular No.3 (July 17, 2003)

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

A.P.(DIR Series) Circular No.3

July 17, 2003

To
All Authorised Dealers in Foreign Exchange

Madam/Sirs,

Current Account Transactions - Liberalisation

Attention of authorised dealers is invited to the existing limits for release of foreign exchange under Schedule III to Rule 5 of Foreign Exchange Management (Current Account Transactions) Rules, 2000 as amended from time to time. As a step towards further liberalisation, it has been decided to raise the present limits as detailed below :

Sr. No.	Item No. of the Schedule III	Purpose	Existing limit (in USD)	Proposed limit (in USD)
1	5	Employment abroad	5,000	100,000
2	6	Emigration	5,000	100,000
3	7(ii)	Maintenance of close relatives abroad	5,000	100,000
4	10	Education abroad	30,000	100,000

2. Accordingly, authorised dealers may allow remittances for amounts upto the limits mentioned above for each category, 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.

Medical Treatment

3. Attention of authorised dealers is also invited to A.P. (DIR Series) Circular No.17 dated September 12, 2002, in terms of which foreign exchange upto USD 50,000 or its equivalent, can be released for medical treatment abroad, without insisting on any estimate from a hospital/doctor. It has since been decided that authorised dealers may henceforth release foreign exchange upto USD 100,000 or its equivalent, to resident Indians for medical treatment abroad, without insisting on any estimate from a hospital/doctor in India/abroad. The other conditions, as stated in paragraph 3 thereof, will remain unchanged.

Consultancy Services

4. Further, it has also been decided to raise the limit for remittance towards consultancy services procured from outside India to USD 1 million per project, as against the present limit of USD 100,000, stipulated at item 15 of Schedule III *ibid*. Authorised dealers may allow the remittance upto USD 1 million subject to the applicant submitting documents to their satisfaction.

5. Necessary amendments to the Foreign Exchange Management (Current Account Transactions) Rules, 2000 are being notified separately.

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

7. 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