



**RESERVE BANK OF INDIA  
FOREIGN EXCHANGE DEPARTMENT  
CENTRAL OFFICE  
MUMBAI – 400 001**

RBI/2004/ 153  
A.P.(DIR Series) Circular No.86

April 17, 2004

To

All Authorised Dealers in Foreign Exchange

Madam / Sirs,

**FEMA 1999 – Current Account Transactions –  
Remittance for maintenance of close relatives abroad-  
Requests of Indian Nationals on deputation to India from  
Overseas Companies**

Attention of Authorised Dealers is invited to item 7 of Schedule III of Government of India Notification No.GSR.381 (E) dated May 3, 2000 as amended by the Notification No.S.O.301(E) dated March 30, 2001 in terms of which, foreign nationals (other than Pakistani nationals) who are resident but not permanently resident in India may remit net salary (after deduction of taxes, contribution to provident fund and other deductions) for maintenance of close relatives abroad. At present similar requests in respect of Indian nationals employed by overseas companies, on deputation to India, are required to be referred to the Reserve Bank.

2. On a review, it has been decided to extend the same facility of remittance of salary already available to foreign nationals (other than Pakistani nationals) to Indian nationals employed by an overseas company, on deputation to India. Accordingly, it will be in order for the Authorised Dealers to allow remittance of net salary (after deductions of taxes, contribution to provident fund and other deductions) of a citizen of India, who is on deputation to the office or branch or subsidiary or joint venture in India of such overseas company, for the maintenance of close relatives residing abroad. A copy of Government of India Notification No.GSR 397 (E) dated May 1, 2003 issued in this regard is enclosed.

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

4. The directives contained in this circular have been issued under Sections 10(4) and 11(1) of FEMA 1999 (42 of 1999).

Yours faithfully,

**Grace Koshie**

Chief General Manager

**MINISTRY OF FINANCE AND COMPANY AFFAIRS**  
**(Department of Economic Affairs)**

**NOTIFICATION**

New Delhi, the 1<sup>st</sup> May 2003

**G.S.R.397(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 amendment to 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 Transaction) (Second 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 Transaction) Rules, 2000,

(a) in Schedule 1, for item 6, the following shall be substituted, namely:-

“6 Payment of commission on exports under Rupee State Credit Route, except commission upto 10% of invoice value of exports of tea and tobacco.”;

(b) in Schedule III, in item 7,

(A) for clause (i), the following clause shall be substituted, namely:-

“(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”,

(B) in the explanation, for the words “employment of”, the words “employment or deputation of” shall be substituted.

(F.No.1/5/EC/2000 Vol.II)

**G.S.DUTT,**  
**Joint Secretary**

**Foot note :** The Principal rules were published in the official gazette vide G.S.R.381(E) dated 3<sup>rd</sup> May, 2000 in part II, Section 3, Sub-section (i) and subsequently amended vide S.O.301(E) dated 30<sup>th</sup> March, 2001.