



RESERVE BANK OF INDIA
Foreign Exchange Department
Central Office
Mumbai - 400 001

RBI/2011-12/482

A. P. (DIR Series) Circular No.102

April 02, 2012

To

All Authorised Persons in Foreign Exchange

Madam/ Sir,

Use of International Debit Cards/Store Value Cards/Charge Cards/Smart Cards by Resident Indians while on a visit outside India

Attention of all Authorised Persons, who are authorised to issue foreign currency pre-paid cards to resident Indians visiting outside India, is invited to Para B(5) of the [A. P. \(DIR Series\) Circular No. 46 dated June 14, 2005](#), in terms of which the use of such cards is limited to permissible current account transactions and subject to the prescribed limits under the Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time.

2. As per the practice followed by issuers, resident Indians who purchase their travel cards, are permitted refund of the unutilised foreign exchange balance only after 10 days from the date of last transaction and accordingly, this condition is stated in the "user guide". Since these cards are expected to act as substitutes for cash/Travellers Cheques, the facilities available to the user will have to be similar.

3. Accordingly, all such Authorised Persons shall redeem the unutilized balance outstanding in the cards immediately upon request by the resident Indians to whom the cards are issued subject to retention of:-

- a) The amounts that are authorised and remain unclaimed/ not settled by the acquirers as of the date of redemption till the completion of the respective settlement cycle;
- b) A small balance not exceeding US\$ 100, for meeting any pipeline transactions till the completion of the respective settlement cycle; and
- c) Transaction fees/service tax payable in India in Rupees.

For the amounts that are authorised but unclaimed/ not settled by the acquirer, the issuer of such cards can hold such amounts until such transactions are processed/ settled by the acquirers within the prescribed settlement timeframe.

4. All the other instructions contained in the above circular dated June 14, 2005, as amended from time to time, shall remain unchanged.

5. Authorised Persons may bring the contents of this circular to the notice of their constituents and customers concerned.

6. The directions contained in this circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(Rudra Narayan Kar)
Chief General Manager