

## **Liberalisation of Loans from Close Relatives outside India**

**September 6, 2002**

The Reserve Bank of India has been taking steps towards procedural simplifications and liberalisation of the existing rules and regulations relating to the foreign exchange transactions by residents in India.

Under the existing Regulations, residents have general permission to borrow upto US\$250,000 from their close relatives resident outside India provided the loan is free of interest and is not repayable before seven years. In view of the representations received by the Reserve Bank, it has been decided to reduce the minimum period for repayment for such loans to one year. Accordingly, residents will now be able to borrow upto US\$250,000 from their close relatives resident outside India provided the loan is free of interest and is repayable after one year.

Pending issue of the notification amending the existing Rules/Regulations framed under Foreign Exchange Management Act, 1999 (FEMA), the Regional Offices of the Reserve Bank will expeditiously deal with applications received in this regard.

**Alpana Killawala**  
**General Manager**

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