

FACILITIES FOR RELEASE OF FOREIGN EXCHANGE TO RESIDENTS

SN	PURPOSE	QUANTUM OF EXCHANGE TO BE RELEASED	DOCUMENTS/PAPERS REQUIRED
1	Private visits to any country (except Nepal and Bhutan)	US\$ 10,000 in one calendar year. Authorised dealers may effect remittances up to reasonable limits if requested by a traveler out of his exchange entitlement towards his hotel accommodation, tour arrangements, etc. in the countries proposed to be visited by him.	Self declaration with basic details and Form A-2.
2.	Business travel or attending Conference or Specialized training	US\$ 25,000 to a person irrespective of period of stay abroad.	Self Declaration with basic details Form A-2
3.	Medical treatment expenses, maintenance expenses of a patient going abroad for medical treatment or check up abroad, or accompanying as attendance to a patient going abroad for medical treatment / check.	US\$ 1,00,000 irrespective of period of treatment without insisting on any estimate from a hospital/doctor.	Request letter for release or Exchange, copy of Passport of Patient/ Attendant, Undertaking to submit expenditure, details and Form A-2.
4.	Studies abroad	US\$100,000 'per academic year' or the estimates from the Institution abroad whichever is	Self Declaration with estimates from institution abroad, a certified copy of Letter of Admission and passport of the applicant and Form A-2.
5.	Emigration	US\$100,000 or Amount prescribed by country of emigration.	Self declaration with copy of emigration visa or Entry Certificate issued by the Foreign Government (copy) and Form A-2.
6.	Employment abroad	US\$1,00,000	Self Declaration, Copy of work permit / Contractual Agreement if any or proof of employment, Form A-2
7.	Donations	US\$ 5,000 per remitter/donor per annum	Self Declaration giving therein details of the Recipient/ organizations / Charity organizations details of previous donations if any etc., Form A-2.
8.	Gift Remittances	US\$ 5,000 per remitter/donor per annum	Self Declaration with the details of the recipient and relationship with the applicant, details of previous gifts, if any Form A-2.

9.	Maintenance of close relatives	(i) 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 is a citizen of a foreign state other than Pakistan. This facility is also extended to Indian nationals employed by an overseas company, on deputation to India (ii) US\$ 1,00,000 per year per recipient, in all other cases.	Salary account of the applicant with the respective branch Net salary (after deduction of taxes, contribution to Provident Funds and other deductions) of a person, who is resident but not permanently resident in India and is a citizen of Foreign country other than Pakistan. Also in case of Citizen of India, who is on deputation to office or branch or subsidiary or Joint Venture in India or such Foreign Company, self declaration Form A-2.
10.	Commission to agents abroad for sale of Residential flats / commercial plots in India.	ADs may freely allow such remittances upto USD 25,000 or 5 per cent of the inward remittance, per transaction, whichever is higher.	Self declaration with the details of the transactions, invoice of the agent giving therein details of the transactions, Form A-2.
11.	Remittances towards consultancy services.	US\$1,000,000 (one million US dollars) per project for any consultancy services procured from outside India.	Self Declaration with the details about the services with agreement, Invoice/Final Bill on the Consultancy for settlement, Form A-2.
12.	Remittance for Use and / or Purchase of Trademark/franchise in India.	ADs may freely allow remittances for use of trade mark/franchise in India. However, RBI's prior approval will continue to be required for remittance towards purchase of trademark/ franchise.	RBI permission is required with the set of documents on the transaction.
13.	Remittances by an entity in India by way of reimbursement of pre- incorporation expenses.	US\$ 1,00,000 by way of reimbursement of pre - incorporation expenses.	Self Declaration with actual expenditure duly certified of containing above details with a copy Form A-2.

Note:- i. Facilities for release of Foreign Exchange to Resident.

No release of foreign exchange is admissible for travel in Nepal and Bhutan.

For release of foreign exchange exceeding limits as specified above should be referred to the Regional Office of the Foreign Exchange Department under whose jurisdiction the applicant is functioning/residing. The Mumbai Regional Office of Exchange Control Department, Reserve Bank of India is situated on First Floor, Amar Building, Sir P.M. Road, Fort, Mumbai-400001 (Telephone No. 2661644).

Endorsement of Passport- Not mandatory. Endorsement be however be however made in case requested by the traveler(s).

Sale of foreign exchange/remittance in foreign exchange equivalent to Rs. 50,000/- or more has to be received by crossed cheque /draft

LIBERALISED REMITTANCE SCHEME OF USD 75,000 FOR RESIDENT INDIVIDUALS

1 Scheme: Under this Scheme, Resident individuals are free to remit up to USD 75,000 per financial year (April-March) for any permitted current or capital account transactions or a combination of both. The facility is available to all resident individuals including minors. The facility will not be available to corporate, partnership firm, HUF etc.

2. Eligibility: All resident individuals including Minors are eligible to avail this facility. Remittances under the facility can be consolidated in respect of family members subject to individual family members complying with the terms and conditions of the Scheme.

3 Purpose: Remittances under the Scheme are allowed only in respect of permissible current or capital account transactions or a combination of both. All other transactions which are otherwise not permissible under FEMA and those in the nature of remittance for margins or margin calls to overseas exchanges / overseas counterparty are not allowed under the Scheme.

- i) The limit of USD 75,000 under the Scheme also include remittances towards gift and donation by a resident individual.
- ii) Remittances under the Scheme can be used for purchasing objects of art subject to the provisions of other applicable laws such as the extant Foreign Trade Policy of the Government of India.
- iii) The Scheme can also be used for remittance of funds for acquisition of ESOPs. The Scheme is in addition to acquisition of ESOPs linked to ADR / GDR and acquisition of qualification shares.
- iv) A resident individual can invest in units of Mutual Funds, Venture Capital Funds, unrated debt securities, promissory notes, etc. under this Scheme. Further, the resident can invest in such securities out of the bank account opened abroad under the Scheme.
- v) An individual who has availed of a loan abroad while as a non resident can repay the same on return to India under the Scheme as a resident.
- vi) The Scheme can be used for outward remittance in the form of a DD either in the resident individual's own name or in the name of beneficiary with whom he intends putting through the permissible transactions at the time of private visit abroad, against self declaration of the remitter in the format prescribed.
- vii) Individuals can also open, maintain and hold foreign currency accounts with a bank outside India for making remittances under the Scheme without prior approval of the Reserve Bank. The foreign currency accounts may be used for putting through all transactions connected with or arising from remittances eligible under this Scheme.
- viii) Resident individuals are permitted to make remittances for acquiring immovable property within the annual limit of USD 75000 for already contracted cases, i.e. only for those contracts which were entered into on or before the date of the

circular, i.e., August 14, 2013, subject to satisfaction of the genuineness of the transactions by the AD bank. Such cases should be immediately reported post facto to the Reserve Bank of India by the A D banks.

- ix) The remittance facility under scheme is not available for the following:
- a) Any purpose specifically prohibited under Schedule I or any item restricted under Schedule II of Foreign Exchange Management (Current Account Transaction) Rules, 2000.
 - b) The facility is not available for making remittances directly or indirectly to Bhutan, Nepal, Mauritius and Pakistan.
 - c) The Scheme is not available for remittance to countries identified by Financial Action Task Force (FATF) as non co-operative countries and territories as available on FATF website www.fatf-gafi.org. or as notified by the Reserve Bank.

4. Documentation: For undertaking transactions under the Scheme, resident individuals may use the application-cum-Declaration Form **and it is mandatory to have PAN number to make remittances under the Scheme.** Foreign exchange up to USD 100,000 each for employment, emigration, maintenance of close relatives, education and medical treatment abroad without insisting on any supporting documents but on the basis of self declaration incorporating certain basic details of the transactions and submission of Form A2. In addition, the existing facility of release of exchange by Authorised Persons up to USD 10,000 or its equivalent in one financial year for one or more private visits to any country (except Nepal and Bhutan) will continue to be available on a self declaration basis.

5. Income- tax clearance: Remittances to non-residents will be allowed to be made by the Authorised Dealers on production of an undertaking by the remitter and submission of form 15 CA & 15 CB as per the applicability in the formats prescribed by the Central Board of Direct Taxes, Ministry of Finance, Government of India .

B. SMALL VALUE REMITTANCES FOR RESIDENT INDIVIDUALS

Authorised Dealers may release an amount up to USD 25000 or its equivalent for all **permissible non trade current account transactions** by obtaining simplified application cum declaration form (Form A2) without insisting on any documentary evidence.

Features of various Deposit Schemes available for Non-Resident Indians (NRIs)

Particulars	Foreign Currency (Non-Resident) Account (Banks) Scheme [FCNR (B) Account]	Non-Resident (External) Rupee Account Scheme [NRE Account]	Non-Resident Ordinary Rupee Account Scheme [NRO Account]
(1)	(2)	(3)	(4)
Who can open an account	NRIs (individuals / entities of Bangladesh/ Pakistan nationality/ ownership require prior approval of RBI)	NRIs (individuals / entities of Bangladesh / Pakistan nationality/ownership require prior approval of RBI)	Any person resident outside India (other than a person resident in Nepal and Bhutan). Individuals / entities of Bangladesh / Pakistan nationality / ownership as well as erstwhile Overseas Corporate Bodies ² require prior approval of the Reserve Bank.
Joint account	In the names of two or more non-resident individuals provided all the account holders are persons of Indian nationality or origin. This account can also be opened jointly with Resident individuals on former or survivor basis.	In the names of two or more non-resident individuals provided all the account holders are persons of Indian nationality or origin. This account can also be opened jointly with Resident individuals on former or survivor basis.	May be held jointly with residents.
Nomination	Permitted	Permitted	Permitted
Currency in which account is denominated	Pound Sterling, US Dollar, Japanese Yen, Euro, Canadian Dollar and Australian Dollar	Indian Rupees	Indian Rupees
Repatriability	Repatriable	Repatriable	Not repatriable except for the following: i) current income ii) up to USD 1 (one) million per financial year (April-March), for any bonafide purpose, out of the balances in the account, e.g., sale proceeds of assets in India acquired by way of purchase/ inheritance / legacy inclusive of assets acquired out of settlement subject to certain conditions.

Type of Account	Term Deposit only	Savings, Current, Recurring, Fixed Deposit	Savings, Recurring, Deposit Current, Fixed
Period for fixed deposits	For terms not less than 1 year and not more than 5 years.	At the discretion of the bank.(presently minimum 1 year and maximum 10 years.	As applicable to resident accounts.
Rate of Interest	<p>Subject to cap as stipulated by Reserve Bank of India :</p> <p>At present, interest shall be paid within the ceiling rate of LIBOR / SWAP rates plus 200 basis points for 1 year and above and less than 3 years and LIBOR / SWAP rates plus 300 basis points for FCNR deposit for 3-5 year maturity for the respective currency.</p> <p>On floating rate deposits, interest shall be paid within the above ceiling.</p> <p>For floating rate deposits, the interest reset period shall be six months.</p>	<p>Subject to cap as stipulated by the Reserve Bank of India</p> <p>Fixed/ Recurring Deposits At present, RBI has deregulated the interest rate ceiling on NRE deposit, however, the interest rate should not be more than the interest rates on domestic deposit for the corresponding maturity. Savings Bank Account Interest rate shall be at the rate applicable to domestic savings account. Currently, the rate is 4.0 per cent.</p>	<p>Fixed/ Recurring Deposits Banks are free to determine interest rates for term deposits. Savings Bank Account Interest rate shall be at the rate applicable to domestic savings account. Currently, the rate is 4 per cent.</p>
Operations by Power of Attorney in favour of a resident by the	Operations in the account in terms of Power of Attorney is restricted to withdrawals for	Operations in the account in terms of Power of Attorney is restricted to withdrawals for	Operations in the account in terms of Power of Attorney is restricted to withdrawals for permissible local

non-resident account holder	permissible local payments or remittance to the account holder himself through normal banking channels.	permissible local payments or remittance to the account holder himself through normal banking channels.	payments in rupees, remittance of current income to the account holder outside India or remittance to the account holder himself through normal banking channels. Remittance is subject to the ceiling of USD 1(one) million per financial year.
Loans			
a. In India			
i) to the Account holder	Permitted	Permitted	Permitted
i) to Third Parties	Permitted	Permitted	Permitted,
b. Foreign Currency Loans in India			
i) to the Account holder	Permitted	Permitted	Permitted
ii) to Third Parties	Permitted	Permitted	Permitted
Purpose of Loan			
a. In India			
i) to the Account holder	i) Personal purposes or for carrying on business activities * ii) Direct investment in India on non-	i) Personal purposes or for carrying on business activities.* ii) Direct investment in India on non-	Personal requirement and / or business purpose.*

	<p>repatriation basis by way of contribution to the capital of Indian firms / companies</p> <p>iii) Acquisition of flat / house in India for his own residential use. (Please refer to para 9 of Schedule 2 to FEMA 5).</p>	<p>repatriation basis by way of contribution to the capital of Indian firms / companies.</p> <p>iii) Acquisition of flat / house in India for his own residential use. (Please refer to para 6(a) of Schedule 1 to FEMA 5).</p>	
ii) to Third Parties	<p>Fund based and / or non-fund based facilities for personal purposes or for carrying on business activities *. (Please refer to para 9 of Schedule 2 to FEMA 5).</p>	<p>Fund based and / or non-fund based facilities for personal purposes or for carrying on business activities *. (Please refer to para 6(b) of Sch. 1 to FEMA 5)</p>	<p>Personal requirement and / or business purpose *</p>
b. Abroad To the account holder and Third Parties	<p>Fund based and / or non-fund based facilities for bonafide purposes.</p>	<p>Fund based and / or non-fund based facilities for bonafide purposes.</p>	<p>Not permitted</p>

*** The loans cannot be utilised for the purpose of on-lending or for carrying on agriculture or plantation activities or for investment in real estate business.**

a. When a person resident in India leaves India for Nepal and Bhutan for taking up employment or for carrying on business or vocation or for any other purpose indicating his intention to stay in Nepal and Bhutan for an uncertain period, his existing account will continue as a resident account. Such account should not be designated as Non-resident (Ordinary) Rupee Account.

b. Authorised Dealers (ADs) may open and maintain NRE / FCNR (B) Accounts of persons resident in Nepal and Bhutan who are citizens of India or of Indian origin, provided the funds for opening these accounts are remitted in free foreign exchange. Interest earned in NRE / FCNR (B) accounts can be remitted only in Indian rupees to NRIs and PIO resident in Nepal and Bhutan.

c. In terms of Regulation 4(4) of the Notification No.FEMA.5/2000-RB dated May 3, 2000, ADs may open and maintain Rupee accounts for a person resident in Nepal and Bhutan.

d. The regulations relating to the various deposit schemes available to Non-Resident Indians have been notified vide Notification No.FEMA.5 dated 3rd May 2000, as amended from time to time. The relevant Notifications and A.P. (DIR Series) Circulars are available on our website [www.rbi.org.in → Sitemap → FEMA → Notifications / A.P.(DIR Series) Circulars]. The Master Circular on Non-Resident Ordinary Rupee (NRO) Account [www.rbi.org.in → Sitemap → Master Circulars] may also be referred to.

e. AD Category – I banks and authorized banks may credit the proceeds of account payee cheques/ demand drafts / bankers' cheques, issued against encashment of foreign currency to the NRE account of the NRI account holder where the instruments issued to the NRE account holder are supported by encashment certificate issued by AD Category-I / Category-II.

f. AD Category – I banks and authorised banks may permit remittance of the maturity proceeds of FCNR (B) deposits to third parties outside India, provided the transaction is specifically authorised by the account holder and the Authorised Dealer is satisfied about the bonafides of the transaction.

1 NRI means a person resident outside India who is a citizen of India or is a person of Indian origin [Regulation 2 (vi) of Notification FEMA 5/2000-RB dated May 3, 2000 viz. Foreign Exchange Management (Deposit) Regulations, 2000].

2 Overseas Corporate Body (OCB) means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non-Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on September 16, 2003 and was eligible to undertake transactions pursuant to the general permission granted under Foreign Exchange Management Regulations.

3 Subject to usual norms as are applicable to resident accounts, for personal purposes or for carrying on business activities except for the purpose of relending or carrying on agricultural / plantation activity or for investment in real estate business.

4 Subject to conditions such as (i) the loans shall be utilised only for meeting borrower's personal requirements and/ or business purpose and not for carrying on agricultural/ plantation activities or real estate business, or for relending, (ii) Regulations relating to margin and rate of interest as stipulated by the Reserve Bank from time to time shall be complied with and (iii) The usual norms and considerations as applicable in the case of advances to trade/industry shall be applicable for such loans/ facilities