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

Notification No.FEMA.10A/2014-RB **Dated : March 21, 2014**

Foreign Exchange Management (Crystallization of Inoperative Foreign Currency Deposits) Regulations, 2014.

In exercise of the powers conferred by clause (f) of sub-section (3) of section 6, sub-section (b) of Section 9 and sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank makes the following regulations relating to inoperative foreign currency deposits, namely:-

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1. **Short title and commencement:-**

   (i) These regulations may be called the Foreign Exchange Management (Crystallization of Inoperative Foreign Currency Deposits) Regulations, 2014.

   (ii) They shall come into force from the date of their publication in the Official Gazette.

2. **Definitions:-**

   In these Regulations unless the context otherwise requires, -

   (i) 'Act' means the Foreign Exchange Management Act, 1999 (42 of 1999);

   (ii) 'Authorised Bank' means a bank including a co-operative bank (other than an authorised dealer) authorised by the Reserve Bank to maintain an account of a person resident outside India;

   (iii) 'Authorised Dealer' means a person authorised as an authorised dealer under sub-section (1) of section 10 of the Act;

   (iv) 'Crystallisation' means conversion of credit balances in any inoperative foreign currency denominated deposit to Indian Rupee.

   (v) 'Deposit' means and includes account balances or deposit of money with an Authorised bank.

3. **Crystallisation of inoperative foreign currency deposits -**

1) In case a foreign currency denominated deposit with a fixed maturity date remains inoperative for a period of three years from the date of maturity of the deposit, at the end of the third year, the authorised bank shall convert the balances lying in the foreign currency denominated deposit into Indian Rupee at the exchange rate prevailing as on that date. Thereafter, the depositor shall be entitled to claim either the said Indian Rupee proceeds and interest thereon, if any, or the foreign currency equivalent (calculated at the rate prevalent as on the date of payment) of the Indian Rupee proceeds of the original deposit and interest, if any, on such Indian Rupee proceeds.

2) In case of foreign currency denominated deposit with no fixed maturity period, if the deposit remains inoperative for a period of three years (debit of bank charges not to be reckoned as operation), the authorised bank shall, after giving a three month notice to the depositor at his last known address as available with it, convert the deposit from the foreign currency in which it is denominated to Indian Rupee at the end of the notice period at the prevailing exchange rate. Thereafter, the depositor shall be entitled to claim either the said Indian Rupee proceeds and interest thereon, if any, or the foreign currency equivalent (calculated at the rate prevalent as on the date of payment) of the Indian Rupee proceeds of the original deposit and interest, if any, on such Indian Rupee proceeds.

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