Foreign Exchange Management (Current Account Transactions) Rules, 2000

Notification No. G.S.R.381(E) dated 3rd May 2000

(Updated by Foreign Exchange Management (Current Account Transactions) Amendment Rules, 2015 vide Notification G.S.R. 426(E) dated 26-05-2015.)

Includes Amendments

In exercise of the powers conferred by section 5 and subsection (1) and clause (a) of sub-section (2) of Section 46of the Foreign Exchange Management Act, 1999, and in consultation with the Reserve Bank, the Central Government having considered it necessary in the public interest, makes the following rules, namely :

1. Short title and commencement
2. Definitions
3. Prohibition on drawal of Foreign Exchange
4. Prior approval of Govt. of India
5. Prior approval of Reserve Bank
7. Use of International Credit Card while outside India

Schedule I

Schedule II

Schedule III

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Foreign Exchange Management (Current Account Transactions) Rules, 2000

1. Short title and commencement -

(1) These rules may be called the Foreign Exchange Management (Current Account Transactions) Rules, 2000.

(2) They shall come into effect on the 1st day of June, 2000.

2. Definitions - In these rules, unless the context otherwise requires -

(a) "Act" means the Foreign Exchange Management Act, 1999 (42 of 1999);

(b) "Drawal" means drawal of foreign exchange from an authorised person and includes opening of Letter of Credit or use of International Credit Card or International Debit Card or ATM card or any other thing by whatever name called which has the effect of creating foreign exchange liability;

(c) "Schedule' means a schedule appended to these rules;

(d) The words and expressions not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

3. Prohibition on drawal of Foreign Exchange - Drawal of foreign exchange by any person for the following purpose is prohibited, namely :

(a) a transaction specified in the Schedule I; or

(b) a travel to Nepal and / or Bhutan; or

(c) a transaction with a person resident in Nepal or Bhutan

Provided that the prohibition in clause (c) may be exempted by RBI subject to such term and conditions as it may consider necessary to stipulate by special or general order.

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4. Prior approval of Govt. of India - No person shall draw foreign exchange for a transaction included in the Schedule II without prior approval of the Government of India.

Provided that this Rule shall not apply where the payment is made out of funds held in Resident Foreign Currency (RFC) Account [2][****] of the remitter.

[26][**5. Prior approval of Reserve Bank.**-Every drawal of foreign exchange for transactions included in Schedule III shall be governed as provided therein :

Provided that this rule shall not apply where the payment is made out of funds held in Resident Foreign Currency (RFC) Account of the remitter.]

[3][**6.** (1) Nothing contained in rule 4 or rule 5 shall apply to drawal made out of funds held in Exchange Earners' Foreign Currency (EEFC) account of the remitter.

(2) Notwithstanding anything contained in sub-rule (1), restrictions imposed under rule 4 or rule 5 shall continue to apply where the drawal of foreign exchange from the Exchange Earners Foreign Currency (EEFC) account is for the purpose specified in items 10 and 11 of Schedule II, or item 3, 4, 11, 16 & 17 Schedule III as the case may be.**]**

[10][**7. Use of International Credit Card while outside India -** Nothing contained in rule 5 shall apply to the use of International Credit Card for making payment by a person towards meeting expenses while such person is on a visit outside India.**]**

Schedule - I

[18][Transactions which are Prohibited
(See Rule 3)]

1. Remittance out of lottery winnings,

2. Remittance of income from racing / riding etc. or any other hobby,

3. Remittance for purchase of lottery tickets, banned / proscribed magazines, football pools, sweepstakes etc.,

4. Payment of commission on exports made towards equity investment in Joint Ventures / Wholly Owned Subsidiaries abroad of Indian companies,

5. Remittance of dividend by any company to which the requirement of dividend balancing is applicable,

[11][6. Payment of commission on exports under Rupee State Credit Route, except commission up to 10% of invoice value of exports of tea and tobacco.]

7. Payment related to "Call Back Services" of telephones,

8. Remittance of interest income on funds held in Non Resident Special Rupee Account Scheme.

Schedule - II

[19][Transactions which require prior approval of the Central Government
(See Rule 4)]

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Purpose of Remittance			Ministry / Department of Govt. of India whose approval is required
1.	Cultural Tours		Ministry of Human Resources Development, (Department of Education and Culture)
[4][2.	Advertisement in foreign print media for the purposes other than promotion of tourism, foreign investments and international bidding (exceeding US$ 10,000) by a State Government and its Public Sector Undertakings.		Ministry of Finance, Department of Economic Affairs.]
3.	Remittance of freight of vessel chartered by a PSU		Ministry of Surface Transport, (Chartering Wing)
4.	Payment of import [15][through ocean transport] by a Govt. Department or a PSU on c.i.f. basis (i.e. other than f.o.b. and f.a.s. basis)		Ministry of surface Transport, (Chartering Wing)
5.	Multi-modal transport Operators making remittance to their agents abroad.		Registration Certificate from the Director General of Shipping
[16][6.	Remittance of hiring charges of transponders		
	(a)	TV Channels	Ministry of Information and Broadcasting
	(b)	Internet service providers	Ministry of Communication and Information Technology"]
7.	Remittance of container detention charges exceeding the rate prescribed by Director General of Shipping		Ministry of Surface transport (Director General of Shipping)
[25][8.	****]		
9.	Remittance of prize money / sponsorship of sports activity abroad by a person other than International / National / State Level sports bodies, if the amount involved exceeds US$ 100,000		Ministry of Human resources Development (Department of Youth Affairs and Sports)
[17][10.	****]		
11.	Remittance for membership of P & I Club.		Ministry of Finance (Insurance Division)

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[27]Schedule - III

(See Rule 5)

Facilities for individuals-

1. Individuals can avail of foreign exchange facility for the following purposes within the limit of USD 2,50,000 only. Any additional remittance in excess of the said limit for the following purposes shall require prior approval of the Reserve Bank of India.

   (i) Private visits to any country (except Nepal and Bhutan)

   (ii) Gift or donation.

   (iii) Going abroad for employment

   (iv) Emigration

   (v) Maintenance of close relatives abroad

   (vi) Travel for business, or attending a conference or specialised training or for meeting expenses for meeting medical expenses, or check-up abroad, or for accompanying as attendant to a patient going abroad for medical treatment / check-up.

   (vii) Expenses in connection with medical treatment abroad

   (viii) Studies abroad

   (ix) Any other current account transaction

   Provided that for the purposes mentioned at item numbers (iv), (vii) and (viii), the individual may avail of exchange facility for an amount in excess of the limit prescribed under the Liberalised Remittance Scheme as provided in regulation 4 to FEMANotification 1/2000-RB, dated the 3rd May, 2000 (here in after referred to as the said Liberalised Remittance Scheme) if it is so required by a country of emigration, medical institute offering treatment or the university, respectively :

   Provided further that if an individual remits any amount under the said Liberalised Remittance Scheme in a financial year, then the applicable limit for such individual would be reduced from USD 250,000 (US Dollars Two Hundred and Fifty Thousand Only) by the amount so remitted :

   provided also that for 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 of a foreign company or subsidiary or joint venture in India of such foreign company,

   may make remittance up to his net salary (after deduction of taxes, contribution to provident fund and other deductions).

   Explanation : For the purpose of this item, a person resident in India on account of his employment or deputation of a specified duration (irrespective of length thereof) or for a specific job or assignments, the duration of which does not exceed three years, is a resident but not permanently resident :

   provided also that a person other than an individual may also avail of foreign exchange facility, mutatis mutandis, within the limit prescribed under the said Liberalised Remittance Scheme for the purposes mentioned herein above.

Facilities for persons other than individual -

2. The following remittances by persons other than individuals shall require prior approval of the Reserve Bank of India.

   (i) Donations exceeding one per cent. of their foreign exchange earnings during the previous three financial years or USD 5,000,000, whichever is less, for-

   (a) creation of Chairs in reputed educational institutes,

   (b) contribution to funds (not being an investment fund) promoted by educational institutes; and

(c) contribution to a technical institution or body or association in the field of activity of the donor Company.

(ii) Commission, per transaction, to agents abroad for sale of residential flats or commercial plots in India exceeding USD 25,000 or five percent of the inward remittance whichever is more.

(iii) Remittances exceeding USD 10,000,000 per project for any consultancy services in respect of infrastructure projects and USD 1,000,000 per project, for other consultancy services procured from outside India.

Explanation :-For the purposes of this sub-paragraph, the expression "infrastructure' shall mean as defined in explanation to para 1(iv)(A)(a) of Schedule I of FEMA Notification 3/2000-RB, dated the May 3, 2000.

(iv) Remittances exceeding five per cent of investment brought into India or USD 100,000 whichever is higher, by an entity in India by way of reimbursement of pre-incorporation expenses."

3. Procedure

The procedure for drawal or remit of any foreign exchange under this schedule shall be the same as applicable for remitting any amount under the said Liberalised Remittance Scheme.

1 Substituted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2000, vide Notification No. GSR 663(E) dated 09.08.2000. Prior to substitution, the entries under serial no. 2 read as under :

"2.	Advertisement abroad by any PSU / State and Central Government	Ministry of Finance, (Department Economic Affairs)"

2. The words "or Exchange Earners' Foreign Currency (EEFC) account" omitted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2001, vide Notification No. SO 301(E) dated 30.03.2001.

3. Inserted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2001, vide Notification No. SO 301(E) dated 30.03.2001.

4. Substituted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2001, vide Notification No. SO 301(E) dated 30.03.2001. Prior to substitution, the entries under serial no. 2 read as under:

"[1][2.	Advertisement abroad by any State Government or its PSUs	Ministry of Finance, Department of Economic Affairs"

5. Substituted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2001, vide Notification No. SO 301(E) dated 30.03.2001. Prior to its substitution, item 3 read as under:

"3. Gift remittance exceeding US$ 5,000 per beneficiary per annum."

6. Substituted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2001, vide Notification No. SO 301(E) dated 30.03.2001. Prior to its substitution, item 4 read as under:

"4. Donation exceeding US$ 5,000 per annum per beneficiary.

7. Substituted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2001, vide Notification No. SO 301(E) dated 30.03.2001. Prior to its substitution, item 7 read as under:

"7. Remittance for maintenance of close relatives abroad exceeding US$ 5,000 per year per recipient.

8. Substituted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2001, vide Notification No. SO 301(E) dated 30.03.2001. Prior to its substitution, item 15 read as under:

"15. Remittances exceeding US$ 100,000 for architectural / consultancy services procured from abroad.

8a Omitted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2004, vide Notification No. G.S.R.608(E) dated 13-09-04. Prior to its omission, item 1 read as under:

"Remittance by artiste e.g. wrestler, dancer, entertainer etc. (This restriction is not applicable to artistes engaged by tourism related organisations in India like ITDC, State Tourism Development Corporations etc. during special festivals or those artistes engaged by hotels in five star categories, provided the expenditure is met out of EEFC account.)"

8b Substituted by the Foreign Exchange Management (Current Account Transaction) (Second Amendment) Rules, 2004, vide Notification No. G.S.R.608(E) dated 13-09-04. Prior to its substitution, item 11 read as under:

"11. Commission to agents abroad for sale of residential flats / commercial plots in India, exceeding 5% of the inward remittance."

8c Omitted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2004, vide Notification No. G.S.R.608(E) dated 13-09-04. Prior to its omission, item 12, 13 and 14 read as under:

"12. Short term credit to overseas offices of Indian companies.

13. Remittance for advertisement on foreign television by a person whose export earnings are less than Rs. 10 lakhs during each of the preceding two years.

14. Remittances of royalty and payment of lump-sum fee under the technical collaboration agreement which has not been registered with Reserve Bank."

8d Substituted by the Foreign Exchange Management (Current Account Transaction) (Second Amendment) Rules, 2004, vide Notification No. G.S.R.608(E) dated 13-09-04. Prior to its substitution, item 16 read as under:

"16. Remittances for use and / or purchase of trade mark / franchise in India."

8e Omitted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2004, vide Notification No. G.S.R.608(E) dated 13-09-04.

9. Substituted for "US$ 5000" by the Foreign Exchange Management (Current Account Transactions) (Second Amendment) Rules, 2002, vide Notification No. G.S.R.831(E) dated 17.12.2002.

10. Inserted by he Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2003, vide Notification No. G.S.R.33(E) dated 15.01.2003.

11. Substituted by the Foreign Exchange Management (Current Account Transaction) (Second Amendment) Rules, 2003, vide Notification No. G.S.R.397(E) dated 01.05.2003. Prior to its substitution, item 6 read as under:

"6. Payment of commission on exports under Rupee State Credit Route,

12. Substituted by the Foreign Exchange Management (Current Account Transaction) (Second Amendment) Rules, 2003, vide Notification No. G.S.R.397(E) dated 01.05.2003. Prior to its substitution, clause *(i)* read as under:

"*(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 is a citizen of a foreign state other than Pakistan.

13. Substituted for "employment of" by the Foreign Exchange Management (Current Account Transaction) (Second Amendment) Rules, 2003, vide Notification No. G.S.R.397(E) dated 01.05.2003.

14. Substituted for "US $ 5000" by the Foreign Exchange Management (Current Account Transactions) (Third Amendment) Rules 2003, vide Notification No. G.S.R.731(E) dated 05.09.2003.

14a Substituted for "US $ 30,000" by the Foreign Exchange Management (Current Account Transactions) (Third Amendment) Rules 2003, vide Notification No. G.S.R.731(E) dated 05.09.2003.

14b Substituted for "US $ 100,000" by the Foreign Exchange Management (Current Account Transactions) (Third Amendment) Rules 2003, vide Notification No. G.S.R.731(E) dated 05.09.2003.

15. Inserted by the Foreign Exchange Management (Current Account Transaction) (Fourth Amendment) Rules, 2003, vide Notification No. G.S.R.849(E) dated 27.10.2003.

16. Inserted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2004, vide Notification No. G.S.R.608(E) dated 13-09-04.

17. Omitted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2004, vide Notification No. G.S.R.608(E) dated 13-09-04. Prior to its omission, item 10 read as under:

"10.	Payment for securing Insurance for health from a company abroad	Ministry of Finance (Insurance Division)

18 Substituted for "*(see Rule 3)*" by the Foreign Exchange Management (Current Account Transactions) Amendment Rules, 2005, vide Notification No. G.S.R.512(E) dated 27.07.2005.

19. Substituted for "*(see Rule 4)*" by the Foreign Exchange Management (Current Account Transactions) Amendment Rules, 2005, vide Notification No. G.S.R.512(E) dated 27.07.2005.

20. The original item 16 omitted by the Foreign Exchange Management (Current Account Transaction) (Amendment) Rules, 2006, vide Notification No. G.S.R. 412 (E) dated 10.07.06. Prior to its substitution, item 16 read as under:

"16. [8d][Remittance for purchase of trademark or franchise in India.]"

21. Substituted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2009, vide Notification No. G.S.R.349(E) dated 22.05.09, w.e.f. 20.12.06. Prior to their substitution, item 2 & 3 read as under :

"2. Release of exchange exceeding [9][US$ 10000] or its equivalent in one calendar year, for one or more private visits to any country (except Nepal and Bhutan).

[5][3. Gift remittance exceeding US$ 5,000 per remitter / donor per annum.]

22. Substituted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2009, vide Notification No. G.S.R.349(E) dated 22.05.09, w.e.f. 30.04.2007. Prior to their substitution, item 4 read as under:

"[6][4. Donation exceeding US$ 5,000 per remitter / donor per annum.]

23. Substituted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2009, vide Notification No. G.S.R.349(E) dated 22.05.09, w.e.f. 30.04.2007. Prior to their substitution, item 15 read as under:

"[8][15. Remittance exceeding [14b][US$ 1,000,000], per project, for any consultancy service procured from outside India.]

24. Inserted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2009, vide Notification No. G.S.R.349(E) dated 22.05.09, w.e.f. 30.04.2007. Prior to insertion clause read as:

"[3][17. Remittance exceeding US$ 100,000, by an entity in India by way of reimbursement of pre-incorporation expenses.]"

25. Omitted by the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2010, vide Notification No. G.S.R.382(E) dated 05-05-10, w.e.f. 16-12-2009. Prior to its omission, item 8 read as under :

"8.	Remittances under technical collaboration agreements where payment of royalty exceeds 5% on local sales and 8% on exports and lump-sum payment exceeds US$2 million	Ministry of Industry and Commerce

26 Substituted by the Foreign Exchange Management (Current Account Transactions) Amendment Rules, 2015 w.e.f. 26-05-2015. Prior to its substitution, rule 5 read as follows :

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(5) **Prior approval of Reserve Bank -** No person shall draw foreign exchange for a transaction included in the Schedule III without prior approval of the Reserve Bank:

Provided that this Rule shall not apply where the payment is made out of funds held in Resident Foreign Currency (RFC) Account [2][****] of the remitter.

27 Substituted by the Foreign Exchange Management (Current Account Transactions) Amendment Rules, 2015 w.e.f. 26-05-2015. Prior to its substitution,Schedule III read as follows :

1. [****][8a]

[21][2. Release of exchange exceeding US$ 10,000 or its equivalent in one financial year for one or more private visits to any country (except Nepal and Bhutan).

3. Gift remittance exceeding US$ 5,000 per financial year per remitter or donor other than resident individual;]

[22][4. (i) Donation exceeding US$ 5,000 per financial year per remitter or donor other than resident individual;

(ii) Donations by corporate, exceeding one per cent of their foreign exchange earnings during the previous three financial years or US$ 5,000,000, whichever is less, for,-

(a) creation of Chairs in reputed educational institutes;

(b) to funds (not being an investment fund) promoted by educational institutes; and

(c) to a technical institution or body or association in the field of activity of the donor company.

Explanation - For the purposes of these item numbers 3 and 4, remittance of gift and donation by resident individuals are subsumed under the Liberalised Remittance Scheme.]

5. Exchange facilities exceeding [14][US $ 100,000] for persons going abroad for employment.

6. Exchange facilities for emigration exceeding [14][US $ 100,000] or amount prescribed by country of emigration.

[7][7. Remittance for maintenance of close relatives abroad,

[12][(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.]

(ii) Exceeding [14][US $ 100,000] per year per recipient, in all other cases.

Explanation : For the purpose of this item, a person resident in India on account of his [13][employment or deputation of] a specified duration (irrespective of length thereof) or for a specific job or assignment; the duration of which does not exceed three years, is a resident but not permanently resident.]

8. Release of foreign exchange, exceeding US$ 25,000 to a person, irrespective of period of stay, for business travel, or attending a Conference or specialised training or for maintenance expenses of a patient going abroad for medical treatment or check-up abroad, or for accompanying as attendant to a patient going abroad for medical treatment / check-up.

9. Release of exchange for meeting expenses for medical treatment abroad exceeding the estimate from the doctor in India or hospital / doctor abroad.

10. Release of exchange for studies abroad exceeding the estimates from the institution abroad or [14a][US$ 100,000] [3][per academic year], whichever is higher.

[8b][11. Commission, per transaction, to agents abroad for sale of residential flats or commercial plots in India exceeding USD 25,000 or 5% of the inward remittance whichever is more.]

12. [8c][***]

13. [8c][***]

14. [8c][***]

[23][15. Remittances exceeding US$ 10,000,000 per project, for any consultancy services in respect of infrastructure projects and US$ 1,000,000 per project for other consultancy services procured from outside India.

Explanation - For the purposes of this item number 'infrastructure project' is those related to -

(i) Power,

(ii) Telecommunication,

(iii) Railways,

(iv) Roads including bridges,

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(v) Sea port and airport,

(vi) Industrial parks, and

(vii) Urban infrastructure (water supply, sanitation and sewage).]

[20][16. [****]

[24][17. Remittances exceeding five per cent of the investment brought into India or US$ 1,00,000 whichever is higher, by an entity in India by way of reimbursement of pre-incorporation expenses.]

18. [8e][***]

Includes Amendments

G.S.R.663(E) dt 09-08-2000
S.O.301(E) dt 30-03-01
G.S.R.831(E) dt 17-12-02
G.S.R.33(E) dt 15-01-03
G.S.R.397(E) dt 01-05-03
G.S.R.731(E) dt 05-09-03
G.S.R.849(E) dt 27-10-03
G.S.R.608(E) dt 13-09-04
G.S.R.512(E) dt 27-07-05
G.S.R. 412(E) dt 10-07-06
G.S.R.349(E) dt 22-05-09
G.S.R.382(E) dt 05-05-10
G.S.R.426(E) dt 26-05-15

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