



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

RBI/2013-14/181

A. P. (DIR Series) Circular No.24

August 14, 2013

To

All Category-I Authorised Dealer Banks

Madam / Sir,

Liberalised Remittance Scheme for Resident Individuals- Reduction of limit from USD 200,000 to USD 75,000

Attention of Authorised Dealer Category - I (AD Category - I) banks is invited to the guidelines regarding the Liberalised Remittance Scheme (LRS) for Resident Individuals (the Scheme).

2. On a review of the scheme, it has now been decided to reduce the existing limit of USD 200,000 per financial year to USD 75,000 per financial year (April - March) with immediate effect. Accordingly, AD Category – I banks may now allow remittance up to USD 75,000 per financial year, under the scheme, for any permitted current or capital account transaction or a combination of both. Further, the following changes / clarifications in regard to the remittances under LRS will come into effect immediately :

(i). The scheme should no longer be used for acquisition of immovable property, directly or indirectly, outside India. Therefore, AD Category-I banks may henceforth not allow any remittances under the LRS Scheme for acquisition of immovable property outside India.

(ii). The scheme should not be used for making remittances for any prohibited or illegal activities such as margin trading, lottery etc., as hitherto.

(iii). Resident individuals have now been allowed to set up Joint Ventures (JV) / Wholly Owned Subsidiaries (WOS) outside India for bonafide business activities outside India within the limit of USD 75,000 with effect from August 5, 2013 and

subject to the terms and conditions stipulated in [Notification No.FEMA 263/RB-2013 dated August 5, 2013](#).

3. Further, the limit for gift in Rupees by Resident Individuals to NRI close relatives and loans in Rupees by resident individuals to NRI close relatives in terms of [A.P. \(DIR Series\) Circular No.17](#) and [18](#) both dated September 16, 2011 shall accordingly stand modified to USD 75,000 per financial year.

4. All other terms and conditions mentioned in [A. P. \(DIR Series\) Circular No. 64 dated February 4, 2004](#), [A. P. \(DIR Series\) Circular No. 24 dated December 20, 2006](#), [A. P. \(DIR Series\) Circular No. 51 dated May 8, 2007](#), [A.P. \(DIR Series\) Circular No.36 dated April 4, 2008](#), A.P. (DIR Series) Circular No.17 and 18 both dated September 16, 2011 and [A.P.\(DIR Series\) Circular No. 106 dated May 23, 2013](#) shall remain unchanged.

5. Necessary amendments to the [Notification No. FEMA.1/2000-RB dated May 3, 2000](#), [Foreign Exchange Management (Permissible Capital Account Transactions) Regulations 2000] are being notified separately.

6. AD - Category I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

7. The directions contained in this Circular have been issued under Section 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,

(C.D. Srinivasan)
Chief General Manager

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