

Exchange Control

AUGUST 1999

1. Release of Exchange to Students for Studies Abroad

With a view to simplifying the procedure for release of exchange to students for studies abroad the Exchange Control regulations have been modified as under :-

1.1 Sale of Exchange

The authorised dealers need not insist on journey ticket, while releasing exchange to students since the date of commencement of course is indicated in the letter of admission from the overseas educational institution.

1.2 Quantum of Exchange

Authorised dealers may release exchange in the form of currency notes not exceeding U.S. \$ 500 and the balance amount may be released in the form of DD/T.T/Travellers' Cheques in the name of the student/ educational institution as desired by the applicant.

1.3 Drawal of Foreign Exchange

Since the applicant/student submits to authorised dealer an undertaking in form TRS that under no circumstances he will draw exchange exceeding his eligibility, he is free to approach any authorised dealer to draw exchange, as per his convenience.

1.4 Manner of Payment of Rupees against Sale of Foreign Exchange

In the case of release of exchange to students going abroad for studies, authorised dealers should insist on payment being received by a Demand Draft/Pay Order/Crossed cheque drawn on the applicant's bank account, only where drawal of exchange for individual transaction is equivalent to Rs.50,000 or more.

2. Imports through Courier-submission of Documentary Evidence of Import

It has been decided that for imports through courier service involving value of less than Rs.1 lakh, authorised dealers may accept a copy of Bill of Entry in the prescribed form issued by the Customs in the name of the Courier Company, duly certified by the courier company itself.

3. Import of Drawings and Designs

While allowing remittance towards import of drawings and designs through E-mail or Fax, authorised dealers may advise the importers concerned to keep the Custom authorities informed of such imports made by them. Authorised dealers are also advised that irrespective of mode of import of drawings and designs, Research and Development Cess Act, 1986 are applicable.

4. Issue of Commercial Paper to Overseas Corporate Bodies by Indian Companies on Non-repatriation Basis

Reserve Bank has issued a Notification No.FERA 205/99-RB dated July 3, 1999 extending the general permission to Indian companies to issue Commercial Paper to Overseas Corporate Bodies (OCBs) also, on non-repatriation basis subject to same terms and conditions stipulated for issuing commercial paper to NRIs.

