



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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RBI/2019-20/102

A.P. (DIR Series) Circular No. 09

November 22, 2019

To

All Category-I Authorised Dealer Banks

Madam / Sir

**Non-resident Rupee Accounts – Review of Policy**

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to paragraph 3 of [Statement on Developmental and Regulatory Policies](#) of the Fourth Bi-Monthly Monetary Policy Statement for 2019-20 dated October 04, 2019.

2. In terms of paragraph 7 of Part II of [Master Direction No.14 dated January 01, 2016](#) on “Deposits and Accounts”, as amended from time to time, any person resident outside India, having a business interest in India, may open a Special Non-Resident Rupee Account (SNRR account) with an authorised dealer for the purpose of putting through bona fide transactions in rupees.

3. With a view to promote the usage of INR products by persons resident outside India, it has been decided, in consultation with the Government of India, to expand the scope of SNRR Account by permitting person resident outside India to open such account for:

- i. External Commercial Borrowings in INR;
- ii. Trade Credits in INR;
- iii. Trade (Export/ Import) Invoicing in INR; and
- iv. Business related transactions outside International Financial Service Centre (IFSC) by IFSC units at GIFT city like administrative expenses in INR outside IFSC, INR amount from sale of scrap, government incentives in INR, etc. The account will be maintained with bank in India (outside IFSC).

4. It has also been decided, in consultation with the Government of India, to rationalise certain other provisions for operation of the SNRR Account, as under:

- i. Remove the restriction on the tenure of the SNRR account opened for the purposes given at paragraph 3 above as the proposed transactions are more enduring in nature.
- ii. Apart from Non-Resident Ordinary (NRO) Account, permit credit of amount due/ payable to non-resident nominee from account of a deceased account holder to Non-Resident External (NRE) Account or direct remittance outside India through normal banking channels.

5. All other provisions of the policy on Deposits and Accounts remain unchanged. AD Category - I banks should bring the contents of this circular to the notice of their constituents and customers.
6. The aforesaid [Master Direction No. 14 dated January 01, 2016](#) is being updated to reflect the changes.
7. The directions contained in this circular have been issued under section 10(4) and 11(2) 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

(Sharmila Thakur)  
General Manager