

A.D.(M.A. Series) Circular No.10 (May 16, 2000)

**RESERVE BANK OF INDIA
EXCHANGE CONTROL DEPARTMENT
CENTRAL OFFICE
MUMBAI 400 001**

A.D.(M.A. Series) Circular No.10

May 16, 2000

To

All Authorised Dealers in Foreign Exchange

Dear Sirs,

Diamond Dollar Account Scheme

Attention of authorised dealers is drawn to paragraph 8.13(a) of the Export and Import Policy (April 1997– March 2002), read with paragraph 8.26 of the Handbook of Procedures, amended upto 31st March 2000, issued by the Ministry of Commerce and Industry, Government of India, regarding the Diamond Dollar Account Scheme (DDAS). Under the Scheme, firms and companies dealing in the purchase/sale of rough or cut and polished diamonds, with a track record of at least three years in import or export of diamonds and having an average annual turn over of Rs.5 crores or above during preceding three licensing years (licensing year is from April to March) are permitted to carry out their business through designated Diamond Dollar Accounts, with not more than two authorised dealers. Accordingly, eligible firms and companies may apply for this purpose to the Chief General Manager, Exchange Control Department, Reserve Bank of India Central Office(Exports Division), Mumbai 400 001 through their authorised dealer. Among other relevant particulars, the following information should also be furnished in the application.

- (i) Annual turn over of the preceding three years (April to March) duly supported by the Chartered Accountant's certificate.
- (ii) Name and address of the bank with whom another Diamond Dollar Account, if any, is maintained/proposed to be maintained.
- (iii) The particulars of Foreign Currency Account, if any, maintained with a bank in India or abroad.

2 The Diamond Dollar Accounts shall be maintained in the form of current accounts. The balances held in the Diamond Dollar Accounts will be subject to Cash

Reserve Ratio and Statutory Liquidity Ratio requirements. Further, firms and companies maintaining foreign currency accounts, excluding EEFC accounts, with banks in India or abroad, are not eligible to maintain Diamond Dollar Accounts.

3. Authorised dealers may bring the contents of this circular to the notice of their constituents concerned.

5. The directions contained in this circular have been issued under Section 73(3) of the Foreign Exchange Regulation Act, 1973 (46 of 1973) and any contravention or non-observance thereof is subject to the penalties prescribed under the Act.

Yours faithfully,

B. MAHESHWARAN

Chief General Manager