

**Receipt from and payment to, a person resident outside India**

**Notification No.FEMA/16/RB-2000 dated 3<sup>rd</sup> May 2000**

**RESERVE BANK OF INDIA  
(EXCHANGE CONTROL DEPARTMENT)  
CENTRAL OFFICE  
MUMBAI 400001**

**Receipt from, and payment to, a person resident outside India**

In pursuance of the provisions of Section 3 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank is pleased to permit -

- 1) any person, to receive any payment
  - a) made in rupees by order or on behalf of a person resident outside India during his stay in India out of rupee funds provided by him by sale of foreign exchange to an authorised dealer or a money changer in India;
  - b) made by means of a cheque drawn on a bank situated outside India or a bank draft or travellers cheque issued outside India;
  - c) made in foreign currency notes directly from out of India;  
  
subject to the condition that the foreign exchange received pursuant to clauses (b) and (c) shall be offered for sale or caused to be offered for sale to an authorised dealer or a money changer within seven days of receipt thereof;
  - d) by means of postal order issued by a post office outside India or by a postal money order issued by such post office.
- 2) a person resident in India, to make any payment in rupees
  - i) towards meeting expenses on account of boarding, lodging and services related thereto or travel to and from and within India of a person resident outside India who is on a visit to India;
  - ii) to a person resident outside India, by means of a crossed cheque or a draft as consideration for purchase of gold or silver in any form imported by such person in accordance with the terms and conditions imposed under any order issued by the Central Government under the Foreign Trade (Development and Regulations) Act, 1992 or under any other law, rules or regulations for the time being in force;
- 3) a company in or resident in India, to make payment in rupees to its whole time director who is resident outside India and is on a visit to India for the company's work and is entitled to payment of sitting fees or commission or remuneration, and travel expenses to and from and within India, in accordance with the provisions contained in the company's Memorandum of Association or Articles of Association or in any agreement entered into by it or in any resolution passed by the company in general meeting or by its Board of Directors, provided the requirements of any law, rules, regulations, directions applicable for making such payments are duly complied with.

**(P.R. GOPALA RAO)**  
Executive Director

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