

**Exchange Earners' Foreign Currency (EEFC) Account Scheme
A.P.(DIR Series) Circular No.16 (October 10, 2000)**

Reserve Bank of India
Exchange Control Department
Central Office
Mumbai 400 001

A.P.(DIR Series) Circular No.16

October 10, 2000

To

All Authorised Dealers in Foreign Exchange

Dear Sirs,

Exchange Earners' Foreign Currency (EEFC) Account Scheme

Attention of authorised dealers is invited to paragraph 2 (ii) of the A.P.(DIR Series) Circular No. 6 dated 14th August, 2000 advising that 100% Export Oriented Units or a unit in (a) Export Processing Zone or (b) Software Technology Park or (c) Electronic Hardware Technology Park may credit 35%, and any other person resident in India may credit 25% of the eligible inward remittances to the EEFC Account.

2. It has now been decided that **with immediate effect**, 100% Export Oriented Units or a unit in (a) Export Processing Zone or (b) Software Technology Park or (c) Electronic Hardware Technology Park may credit 70%, and any other person resident in India may credit 50% of the eligible inward remittances as indicated in the Schedule to the Reserve Bank Notification No. FEMA10/2000-RB dated 3rd May, 2000. It is clarified that this is applicable only to the eligible inward remittances received on or after the date of this circular.

3. It is further advised that all the EEFC accounts should be held in the form of non-interest bearing Current Accounts only and no credit facility, whether funded or non-funded, should be made available against the EEFC balances. Existing credit facilities, if any, should be withdrawn on expiry of the period for which the credit was extended.

4. All other terms and conditions of the Scheme contained in the Schedule to the Reserve Bank Notification No.FEMA10/2000-RB dated 3rd May, 2000 and as amended vide Reserve Bank's Circular dated 14th August, 2000 , referred to above, **remain unchanged.**

5. Amendment to the Bank's Notification issued under Foreign Exchange Management Act, 1999 is being issued separately.

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

7. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act 1999 (42 of 1999). Any contravention or non-observance of these directions is subject to the penalties prescribed under the Act.

Yours faithfully

K. J. Udeshi

Chief General Manager