

**Foreign Exchange Management (Current Account Transactions)  
(Amendment) Rules, 2001**

**THE GAZETTE OF INDIA  
EXTRAORDINARY  
PART II – Section 3 – Sub-section (ii)  
PUBLISHED BY AUTHORITY**

[No.215]

FRIDAY, MARCH 30, 2001

**MINISTRY OF FINANCE  
(Department of Economic Affairs)  
NOTIFICATION  
New Delhi, the 30<sup>th</sup> March, 2001**

S.O. 301(E) – In exercise of the powers conferred by section 5 and sub-section (1) and Clause (a) of sub-section (2) of section 46 of the Foreign Exchange Management Act, 1999 (42 of 1999) and in consultation with the Reserve Bank, the Central Government having considered it necessary in the public interest, makes the following amendments in the Foreign Exchange Management (Current Account Transactions) Rules, 2000, namely:-

1. (i) These Rules may be called the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2001.  
(ii) They shall come into force with immediate effect.
2. In the Foreign Exchange Management (Current Account Transactions) Rules, 2000 (hereinafter referred to as “the said Rules”).

- (A) In rule 4 and rule 5, in the proviso, the words “or Exchange Earners’ Foreign Currency (EEFC) account,” shall be deleted;
- (B) After rule 5, the following rule shall be inserted namely:-

“6(1) Nothing contained in rule 4 or rule 5 shall apply to drawal made out of funds held in Exchange Earners’ Foreign Currency (EEFC) account of the remitter.

(2) Notwithstanding anything contained in sub-rule (1), restrictions imposed under rule 4 or rule 5 shall continue to apply where the drawal of foreign exchange from the Exchange Earners Foreign Currency (EEFC) account is for the purpose specified in items 10 and 11 of Schedule II, or item 3, 4, 11, 16 & 17 Schedule III as the case may be.”

- (C) In Schedule II to the said rules, for item No.2 and the entries relating thereto, the following shall be substituted namely:-

“2. Advertisement in foreign print media for the purposes other than promotion of tourism, foreign investments and international bidding (exceeding US\$ 10,000) by a State Government and its Public Sector Undertakings.

Ministry of Finance,  
Department of  
Economic Affairs.”

- (D) In Schedule III to the said Rules, -

(a) for item 3, the following item shall be substituted, namely:-

“3. Gift remittance exceeding US\$ 5,000 per remitter/donor per annum.”

(b) for item 4, the following item shall be substituted, namely:-

“4. Donation exceeding US\$ 5,000 per remitter/donor per annum”

(c) for item 7, the following item shall be substituted, namely:-

“7. Remittance for maintenance of close relatives abroad,

(i) exceeding net salary (after deduction of taxes, contribution to provident fund and other deductions) of a person who is resident but not permanently resident in India and is a citizen of a foreign state other than Pakistan.

(ii) Exceeding US\$ 5,000 per year per recipient, in all other cases.

*Explanation: For the purpose of this item, a person resident in India on account of his employment of a specified duration (irrespective of length thereof) or for a specific job or assignment; the duration of which does not exceed three years, is a resident but not permanently resident”.*

(d) In Item 10, after the letters and figures “US\$30,000” , the words “per academic year” shall be inserted;

(e) For Item 15, the following item shall be substituted, namely:

“15. Remittance exceeding US\$ 100,000, per project, for any consultancy service procured from outside India,”;

(f) after item 16, the following item shall be inserted, namely :-

“17. Remittance exceeding US\$100,000, by an entity in India by way of reimbursement of pre-incorporation expenses.”

[F.No.1/5/EC/2000]  
ASHOK LAVASA, Jt. Secy.