

Foreign Exchange Management (Deposit) (Amendment) Regulations, 2002

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

Notification No.FEMA. 52 /RB – 2002

Dated March 1, 2002

Foreign Exchange Management (Deposit) (Amendment) Regulations, 2002

In exercise of the powers conferred by clause (f) of sub-section (3) of Section 6 and sub-section (2) of Section 47 of the Foreign Exchange Management Act,1999 (42 of 1999) and in partial modification of Notification No.FEMA 5 /2000-RB dated May 3, 2000, the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Deposit) Regulations, 2000, namely :

1. (i) These Regulations may be called the 'Foreign Exchange Management (Deposit)(Amendment) Regulations, 2002.'

(ii) They shall come into force on 1st day of April 2002.

2. In the Foreign Exchange Management (Deposit) Regulations, 2000,

(a) in Regulation 5,

(i) in sub-regulation (1), clauses (iv) and (v) shall be omitted;

(ii) in sub-regulation (2), for the words and figures "clauses (i), (iii) and (v)", the words and figures "clauses (i) and (iii)" shall be substituted;

(iii) after sub-regulation (2), the following sub-regulation shall be added, namely:-

“(3) (a) On and from 1st April 2002,

(i) no deposit, whether by way of renewal of existing deposit or otherwise, shall be accepted under the Non-Resident (Non-Repatriable) Rupee Account Scheme (NRNR Account) or the Non-Resident (Special) Rupee Account Scheme (NRSR Account);

(ii) existing deposits under the NRNR Account Scheme may be continued only upto the date of maturity;

(iii) on maturity of the existing deposit under the NRNR Account Scheme, the maturity proceeds shall be credited to the accountholder's Non-Resident (External) Account (NRE Account), after giving notice to the account holder.

(b) (i) the existing account in the form of a term deposit of the NRSR Account Scheme may be continued till the date of maturity.

(ii) on maturity of the existing term deposit under the NRSR Account Scheme, the maturity proceeds shall be credited to the accountholder's Non-Resident (Ordinary) Account (NRO Account).

(iii) existing NRSR account, other than a term deposit, shall not be continued after 30th September 2002 and may at the option of the account holder, be closed or the balance therein credited to his NRO account on or before that date.

Explanation: For the purpose of this sub-regulation, "existing deposit" or "existing account" means a deposit or an account held on 31st March 2002".

(b) in Schedule 4, in Paragraph 1, for the first sub-paragraph, the following sub-paragraph shall be substituted, namely:-

“Any person resident outside India (except individuals/entities of Pakistan/Bangladesh nationality/ownership) may open NRNR account with an authorised dealer, provided that no such account shall be opened on and from **1st April 2002**, whether by renewal of existing deposit or otherwise.”

(c) in Schedule 5, in Paragraph 1, after sub-paragraph (iii), the following sub-paragraph shall be inserted, namely:-

“(iv) No account under NRSR Account Scheme shall be opened on and from 1st April 2002, whether by renewal of existing deposit or otherwise.”

(Vepa Kamesam)
Deputy Governor

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