

Foreign Exchange Management Act, 1999 – Insurance
A.P.(DIR Series) Circular No. 47 (May 17 , 2002)

Reserve Bank of India
Exchange Control Department
Central Office
Mumbai 400 010

A.P (DIR Series) Circular No.47

May 17, 2002

To

All Authorised Dealers in Foreign Exchange

Madam/Sirs,

Foreign Exchange Management Act, 1999 – Insurance

Attention of authorised dealers is invited to the Notification No. FEMA.12/2000-RB dated 3rd May 2000 whereby a person resident in India is prohibited from taking any general or life insurance policy issued by an insurer outside India.

2. It has since been decided, in consultation with Government of India, to exempt units located in Special Economic Zones (SEZs) from the purview of the above Notification for the purpose of taking out general insurance policies. Accordingly, authorised dealers are free to allow remittances towards premium for general insurance policies taken by units located in SEZs from insurers outside India provided the premium is paid by the units out of their foreign exchange balances.

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

4. 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).

Yours

faithfully,

Grace

Koshie

Chief General Manager