

**FEMA, 1999 – Current Account Transactions –
Remittances towards Consultancy Services
A.P. (DIR Series) Circular No.20 (September 12, 2002)**

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

A.P. (DIR Series) Circular No.20

September 12, 2002

To

All Authorised Dealers in Foreign Exchange

Madam / Sirs,

**FEMA, 1999 – Current Account Transactions –
Remittances towards Consultancy Services**

Attention of authorised dealers is invited to paragraph 3(B)(d) of our A.P.(DIR Series) Circular No.29 dated March 31, 2001, in terms of which remittance exceeding USD 100,000 per project for any consultancy services procured from outside India requires prior approval of the Reserve Bank, eventhough such remittance was made out of the funds held in Exchange Earners' Foreign Currency (EEFC) accounts.

2. It is clarified that in view of Rule 6(2) as contained in Government of India Notification No.S.O.301(E) dated March 30, 2001 (copy enclosed to the above circular), prior approval of the Reserve Bank is **not required** where such remittance is made out of the funds held in Exchange Earners' Foreign Currency (EEFC) account.

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

5. 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