

**A.P. (DIR Series) Circular No.26 (September 28, 2002)**

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

**A.P. (DIR Series) Circular No.26**

**September 28, 2002**

To

All Authorised Dealers in Foreign Exchange

Madam/Sirs,

- (a) Remittance of Current Income by Non-Resident Indians  
(NRIs)/Persons of Indian Origin (PIOs) – No Objection Certificate**  
**(b) Repatriation of NRNR Deposits**

Attention of Authorised Dealers is invited to A.P. (DIR Series) Circular No. 45 dated May 14, 2002, in terms of which A.Ds may allow repatriation of current income like rent, dividend, pension, interest etc. of NRIs who do not maintain NRO Account in India based on an appropriate certification by a Chartered Accountant, certifying that the amount proposed to be remitted is eligible for remittance and that applicable taxes have been paid/ provided for. A doubt has been raised as to whether Non-Resident Indians/ Persons of Indian Origin (NRIs/PIOs) seeking to repatriate funds from India, but having no taxable income in India, are also required to furnish a certificate as indicated in the A.P. (DIR Series) Circular No. 45 dated May 14, 2002.

2. It is, therefore, clarified that such NRIs/PIOs who do not maintain NRO Account and have no taxable income in India need not submit a Chartered Accountant's certificate for remitting their current income like dividend, rent, pension, interest etc. In such cases Authorised Dealers may obtain a simple declaration, in duplicate, from the NRIs/PIOs to the effect that he/she is not a tax payer in India. The Authorised Dealer may retain such declaration with them for future reference from Income Tax Authorities, if any.

**Crediting of current income to non-resident accounts**

3. Attention of Authorised Dealers is also invited to A.P.(DIR Series) Circular No.5 dated July 15, 2002 wherein it has been clarified that Authorised Dealers may credit the current income to the NRE accounts of NRIs provided they are satisfied that the credit

represents current income of the non-resident account holder and income tax thereon has been deducted/paid/provided for, as the case may be.

4. It is clarified that in terms of item 3 (B)(ii) of Schedule 3 to Notification No. FEMA 5/2000 RB dated May 3, 2000 for remitting current income credited to NRO A/c, as well as for crediting current income to NRE Account of the NRI in terms of clarifications given in A.P. (DIR Series) Circular No. 5 dated July 15, 2002, requirement of submission of income-tax declaration/ Chartered Accountant's certificate stating that the income-tax thereon has been deducted /paid/provided for, is applicable. In case NRIs/PIOs have no taxable income in India, the procedure indicated in paragraph No.2 above may be followed.

#### **Maturity proceeds of NRNR Deposits**

5. Authorised Dealers may also refer to A.P.(DIR Series) Circular No.28 dated March 4, 2002 in terms of which maturity proceeds of NRNR deposits should be credited to NRE accounts. It is clarified that proceeds of the NRNR deposit on maturity may be allowed to be repatriated outside India in case the accountholder does not maintain NRE account.

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

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).

Yours faithfully,

**Grace Koshie**

Chief General Manager