

Exchange Earners' Foreign Currency (EEFC) Account Scheme

**Reserve Bank Of India
Exchange Control Department
Central Office
Mumbai 400 001**

A.P.(DIR Series) Circular No. 34

October 31, 2002

To
All Authorised Dealers in Foreign Exchange

Madam/Sirs,

Exchange Earners' Foreign Currency (EEFC) Account Scheme

In terms of IECD Circular No. 9 /04.02.02/ 2002-03 of date Reserve Bank has liberalised the facility for liquidation of Rupee Packing Credit and Pre-shipment Credit in foreign currency by permitting repayment of such advances by exporters from out of their EEFC funds and/or rupee resources.

2. Authorised dealers may, therefore, permit exporters to repay packing credit advances, whether availed of in Rupee or in foreign currency, from balances in their EEFC account **to the extent exports have actually taken place.**

3. While allowing utilisation of this facility, authorised dealers should advise exporters to adhere to the current exchange control requirements for exports and ensure compliance **specifically, with regard to realisation of export proceeds in accordance with paragraph C.10 of Annexure to A.P. (DIR Series) Circular No.12 dated September 9, 2000.**

4. Authorised Dealers may please 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 FEMA 1999 (42 of 1999).

Yours faithfully,
Grace Koshie
Chief General Manager