

Foreign Exchange Management Act, 1999 – Advance Remittances for Imports

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

A.P.(DIR Series)Circular No.49

November 16, 2002

To

All Authorised Dealers in Foreign Exchange

Madam/Sirs,

**Foreign Exchange Management Act, 1999 –
Advance Remittances for Imports**

Attention of authorised dealers is invited to para A.11 of the Annexure to A.P.(DIR Series) Circular No.9 dated August 24, 2000, in terms of which authorised dealers have been permitted to make advance remittances for import of goods. Sub-para (c) of the said paragraph requires a bank guarantee if the amount of advance remittance exceeds USD 25,000 or its equivalent.

2. With a view to simplifying and liberalising the procedure for import, it has been decided to raise the limit of USD 25,000 to USD 100,000 or its equivalent. Authorised Dealers may, therefore, allow advance remittances for import of goods upto USD 100,000 without prior approval of Reserve Bank.

3. In case importers fail to import the goods within the prescribed time period [including the extended period as may be permitted by authorised dealer under A.11(d) of the circular] from the date of advance remittances, the importer would be required to repatriate the amount remitted immediately. All other conditions stipulated in Para A.11 of the circular remain unchanged.

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**