

**Remittance of Foreign Exchange for Miscellaneous purposes
A.P. (DIR Series) Circular No.54 (November 25, 2002)**

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

A.P. (DIR Series) Circular No.54

November 25, 2002

To

All Authorised Dealers in Foreign Exchange

Madam/Sirs,

Remittance of Foreign Exchange for Miscellaneous purposes

Attention of authorised dealers is invited to paragraph 3 of A.D. (M.A. Series) Circular No.11 dated May 16, 2000, advising them to be guided by the provisions of Exchange Control Manual (1993 edition) regarding matters listed in Annexure V of the circular, pending issue of further instructions.

2. The matter has been reviewed and authorised dealers may allow remittance of foreign exchange for miscellaneous purposes as indicated in the Annexure to this circular. Directions contained in the Annexure supercede the instructions contained in Part B and C of Chapter 8 of the Exchange Control Manual (1993 edition).
3. Authorised Dealers may please bring the contents of this 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**

Annexure

[A.P. (DIR Series) Circular No.54
dated November 25, 2002]

**Clarification relating to remittance for certain Current
Account transactions under miscellaneous purposes**

1. Remittances towards cost of Euro Rail etc. passes/tickets, overseas hotel reservations, etc. for Indian travellers

Authorised dealers may allow tour operators to remit the cost of rail/road/water transportation charges outside India without any prior approval from the Reserve Bank net of commission/mark up, due to the Indian agent. The sale of passes/tickets in India can be made either against payment in Indian Rupees or in foreign exchange released for visits abroad. The cost of passes/tickets collected in Indian Rupees need **not** be adjusted in the travellers' entitlement of foreign exchange for private visit.

2. Remittances on account of Consolidated Tour Arrangements for Foreign Tourists Visiting Neighbouring Countries

In respect of consolidated tours arranged by travel agents in India for foreign tourists visiting India and neighbouring countries like Nepal, Bangladesh, Sri Lanka, etc., against advance payments/reimbursement through an Authorised Dealer, part of the foreign exchange received in India against such consolidated tour arrangements, may require to be remitted from India to these countries for services rendered by travel agents and hoteliers in the neighbouring countries. Authorised dealers may allow such remittances after verifying that the amount being remitted to the neighbouring country (inclusive of remittances, if any, already made against the tour) does not exceed the amount actually remitted to India; and **the country of residence of beneficiary is not Pakistan.**

3. Advertisements in television media abroad

- (a) For remittance relating to advertisements on foreign television, authorised dealers may be guided by the provisions of Item 13 of Schedule III to the Government Notification No.G.S.R.381(E) dated May 3, 2000. Authorised dealers may forward applications that do not satisfy the prescribed parameters to the Reserve Bank for consideration.
- (b) Remittance towards cost of advertisement in print media, radio, etc., outside India or on internet may be allowed by authorised dealers. In case of advertisement by a public sector undertaking they may be guided by Item (2) of Schedule II to the Government Notification No.G.S.R.381(E) dated May 3, 2000, as amended from time to time.

4. Payments of collected subscription to overseas TV media company

Authorised dealers may allow cable operators or collection agents in India of overseas TV media companies, to remit subscription collected from subscribers in India/advertisement charges collected from the advertisers who

are eligible to advertise on overseas TV channels without any prior permission from the Reserve Bank.

5. Bids in Foreign Currency for Projects to be executed in India

Persons resident in India are permitted to incur liability in foreign exchange and to make or to receive payments in foreign exchange, in respect of global bids where the Central Government has authorised such projects to be executed in India. In such cases, authorised dealers may sell foreign exchange to the concerned resident Indian company which has been awarded the contract.

6. Sale of overseas telephone cards

Authorised Dealers may allow agents in India of the overseas organisations issuing pre-paid telephone cards to remit the sale proceeds of such cards, net of their commission, to the issuers of the telephone cards. The cost of such cards collected in Indian Rupees **need not** be adjusted in the travellers' entitlement of foreign exchange for private visit.

7. Supply of Goods by a 100% EOU/EPZ Unit to another 100% EOU/EPZ Unit against payment in foreign exchange

100% EOUs and units in EPZs have been permitted to sell goods manufactured by them to other 100% EOUs/EPZ units against payment in foreign exchange. Authorised dealers may sell foreign exchange to the buyer units to make payment for such transactions.

Note : The above provisions will also apply, mutatis mutandis, to supply of computer services and hardware by one unit in Software Technology Park (STP)/Electronic Hardware Technology Park (EHTP) to another unit in STP/ EHTP against payment in foreign exchange.

8. Supply of goods by 100% Export Oriented Units (EOUs)/ Units in Export Processing Zones (EPZs), Electronic Hardware Technology Parks (EHTPs) and Software Technology Parks (STPs) to units in Domestic Tariff Area (DTA) against payment in foreign exchange

If the concerned authorities permit EOUs, units in EPZs, EHTPs and STPs to sell goods to buyers in DTA against payment in free foreign exchange, authorised dealers may sell foreign exchange to the buyers of such goods in DTA, without prior approval of the Reserve Bank.

9. Payment of fees in foreign currency - Embassy Affiliated educational institutions

Authorised dealers may sell foreign exchange towards payment of fees to Schools/Educational Institutions under the administrative control of foreign embassies.