

Rejection Risk Insurance – Remittance - Liberalisation
A.P. (DIR Series) Circular No.102 (May 7, 2003)

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

A.P. (DIR Series) Circular No.102

May 7, 2003

To
All Authorised Dealers in Foreign Exchange
Madam/Sirs,

Rejection Risk Insurance – Remittance - Liberalisation

Attention of authorised dealers is invited to sub-regulation (2) of Regulation 4 of Notification No.FEMA.12/2000-RB dated May 3, 2000 in terms of which a person resident in India is required to obtain a 'no objection' certificate from Central Government before taking any general insurance policy issued by an insurer outside India.

2. Central Government has since conveyed their no objection to allow exporters of sea-food and other perishable food/food products to avail of Rejection Risk Insurance Cover from an insurer outside India. Accordingly, it will be in order for authorised dealers to allow remittance on behalf of their exporters clients towards premium for the rejection risk insurance policies taken by them for export of sea-food and other perishable food/food products from an insurer outside India.

3. Authorised dealers may 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