RBI/2011-12/225   October 19, 2011
A.P. (DIR Series) Circular No. 36

To,

    All Banks Authorised to Deal in Foreign Exchange

Madam/Sir,

Opening Foreign Currency (Non-Resident) Account (Banks) Scheme [FCNR(B)] account in any freely convertible currency – liberalisation

Attention of Authorised Dealer (AD) banks is invited to the Paragraph 2 of Schedule 2 to the Notification No.FEMA 5/2000-RB dated May 3, 2000, viz. Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time, read with Notification No. FEMA 14/2000-RB dated May 3, 2000, viz. Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2000, as amended from time to time, in terms of which deposit of funds in the Foreign Currency (Non-Resident) Account (Banks) Scheme [FCNR(B)] accounts may be accepted in such permissible currencies as may be designated by the Reserve Bank from time to time. Presently, Pound Sterling, US Dollar, Japanese Yen, Euro, Canadian Dollar and Australian Dollar are the currencies designated by the Reserve Bank.

2.   The Committee to Review the Facilities for Individuals under FEMA, 1999 in its Report has recommended that FCNR(B) accounts may be permitted to be opened in any freely convertible currency.

3.   On a review, it has been decided that AD banks in India may be permitted to accept FCNR (B) deposits in any permitted currency. It may be noted that 'Permitted currency' for this purpose would mean a foreign currency which is freely convertible as defined in terms of Regulation 2(v) of FEMA 14/2000-RB dated May 3, 2000, as amended from time to time.

4.   Authorised Dealer banks may bring the contents of this circular to the notice of their account holders concerned.

5.   The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully,

(Meena Hemchandra)
Chief General Manager In-Charge