

Current Account Transactions - Liberalisation – Clarifications
A.P. (DIR Series) Circular No.7 (August 12, 2003)

Reserve bank of india
Exchange control department
Central office
Mumbai 400 001

A.P. (DIR Series) Circular No.7

August 12, 2003

To
All Authorised Dealers in Foreign Exchange

Madam/Sirs,

Current Account Transactions - Liberalisation - Clarifications

Attention of Authorised dealers is invited to paragraphs 1, 2 and 3 of A.P. (DIR Series) Circular No.3 dated July 17, 2003, conveying liberalisation in the remittance facilities for employment, emigration, education, maintenance of close relatives and medical treatment abroad. It has come to our notice that at the branch level, authorised dealers continue to insist on documents in support of the request for above remittances, rather than relying on self declaration of essential information, as envisaged in the circular under reference.

2. It is, therefore, reiterated that remittances may be allowed for the purposes detailed in our circular, based on self certification of the purposes, as also other basic details of the transaction, while ensuring that the payment for purchase of the foreign exchange by the applicant, is by means of cheque or demand draft or by debit to his account.

3. It is further clarified that the onus of furnishing the correct details in the application, will remain with the applicant who has certified the details relating to the purpose of such remittance.

4. As regards consultancy services, the directions contained in paragraph 4 of our A.P. (DIR Series) Circular No.3 dated July 17, 2003 remain unchanged.

5. The above clarifications may be brought to the notice of all the dealing staff to ensure that the liberalised measures are implemented in letter and spirit.

6. The directions contained in this circular have been issued under Section10(4) and Section11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,

F.R.Joseph
Chief General Manager