

**Foreign Exchange Management (Insurance)
Regulations, 2000 – Life Insurance Memorandum (LIM)
A.P. (DIR Series) Circular No.51 (December 15, 2003)**

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

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December 15, 2003

To
All Authorised Dealers in Foreign Exchange

Madam / Sirs,

**Foreign Exchange Management (Insurance) Regulations, 2000 –
Life Insurance Memorandum (LIM)**

Attention of Authorised Dealers is invited to A.P.(DIR Series) Circular No.72 dated January 17, 2003 enclosing the Memorandum of Exchange Control Regulations relating to Life Insurance in India (LIM). In terms of paragraph 5(iii) of the Memorandum relating to settlement of claims, Authorised Dealers were advised that Resident beneficiaries of insurance claims/maturity/ surrender value settled in foreign currency may be permitted to credit the proceeds thereof to Resident Foreign Currency (RFC) Account, if so desired.

2. On a review, it has been decided that :
 - (i) Resident beneficiaries of the insurance claims/ maturity/ surrender value settled in foreign currency may be permitted to open and credit the proceeds thereof to their **RFC (Domestic) Account** instead of RFC Account as advised earlier.
 - (ii) Non-Resident Indian Policy Holders who are beneficiaries of insurance claims/maturity or surrender value settled in foreign currency in respect of policies issued by Insurance Companies in India and registered with Insurance Regulatory and Development Authority to conduct insurance business may be permitted to credit the proceeds to the RFC Account opened by them on their becoming residents.
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 Sections 10(4) and 11 (1) of the Foreign Exchange Management Act 1999 (42 of 1999)

Yours faithfully,
Grace Koshie
Chief General Manager