



RESERVE BANK OF INDIA  
Foreign Exchange Department  
Central Office  
Mumbai - 400 001

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RBI/2004-05/59  
A.P.(DIR Series) Circular No.6

July 20, 2004

To

All Authorised Dealers in Foreign Exchange

Madam/Sirs,

**Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) (First Amendment) Regulations, 2004**

Attention of Authorised Dealers is invited to the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2000 notified vide Notification No.FEMA.10/2000-RB dated May 3, 2000. In terms of Regulations 5 and 5A of the Notification *ibid*, eligible entities in India may open, hold and maintain Resident Foreign Currency (RFC) Account and Resident Foreign Currency (Domestic) [RFC(D)] Account with an authorised dealer out of foreign exchange received by them in respect of transactions specified therein.

2. On a review, it has been decided that the foreign exchange received by a resident individual by way of the proceeds of life insurance policy claims/maturity/surrender values settled in foreign currency from an insurance company in India permitted to undertake life insurance business by the Insurance Regulatory and Development Authority may be credited to RFC Account or RFC (Domestic) Account of the beneficiary as the case may be.

3. The requisite amendments to the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2000 have been issued by Reserve Bank vide Notification No.FEMA.109/2004-RB dated January 1, 2004, a copy of which is enclosed.

4. Authorised Dealers may bring the contents of this circular to the notice of their constituents/customers 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).

Yours faithfully,

**F.R.Joseph**

Chief General Manager

**RESERVE BANK OF INDIA  
EXCHANGE CONTROL DEPARTMENT  
CENTRAL OFFICE  
MUMBAI 400 001**

Notification No.FEMA.109/2004-RB

Dated: January 1, 2004

**Foreign Exchange Management (Foreign Currency Accounts by  
a Person Resident in India) (First Amendment) Regulations, 2004**

In exercise of the powers conferred by clause (b) of Section (9) and clause (e) of sub-section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (Act 42 of 1999) and in partial modification of its Notification No.FEMA.10/2000-RB dated May 3, 2000, as amended from time to time, the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2000, namely :-

**1. Short title and commencement**

- (a) These Regulations may be called the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) (First Amendment) Regulations, 2004.
- (ii) They shall come into force on their publication in the Official Gazette.

**2. Amendment of the Regulations**

In the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2000,

- (a) In Regulation 5, in sub-regulation (1), after sub-clause (d) the following shall be added, namely :-

"(e) received as the proceeds of life insurance policy claims/maturity/ surrender values settled in foreign currency from an insurance company in India permitted to undertake life insurance business by the Insurance Regulatory and Development Authority. "
- (b) (i) In Regulation 5A, in sub-regulation (1), the words, "A person resident in India" may be substituted by the words "A resident Individual".

(ii) In Regulation 5A, in sub-regulation (1) after sub-clause (g) the following shall be added, namely :

"(h) by way of earnings received as the proceeds of life insurance policy claims/maturity/surrender values settled in foreign currency from an insurance company in India permitted to undertake life insurance business by the Insurance Regulatory and Development Authority."

Sd/-  
( Usha Thorat )  
Executive Director

**G.S.R. 13(E) dated January 7, 2004**