



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

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RBI/2004-05/193  
A.P. (DIR Series) Circular No.12

September 25, 2004

To

All Banks Authorised to Deal in Foreign Exchange

Madam / Sirs,

**Imports on c.i.f. basis by Government  
Departments / Public Sector Undertakings**

Attention of Authorised Dealer Banks is invited to item 4 of Schedule II of the Foreign Exchange Management (Current Account Transactions) Rules, 2000 issued vide Government of India Notification No.GSR.381(E) dated May 3, 2000 in terms of which, Public Sector Undertakings/ Government Departments are required to obtain the approval of the Ministry of Shipping (erstwhile Ministry of Surface Transport) for payment of imports on c.i.f. basis.

2. Government of India, Ministry of Finance (Department of Economic Affairs) has since amended the said provision vide Gazette Notification No.G.S.R. 849(E) dated October 27, 2003 limiting the requirement of prior approval of the Government only to cases involving imports on c.i.f. basis through ocean transport (copy enclosed).

3. Accordingly, Government Departments / Public Sector Undertakings are required to obtain the approval of the Chartering Wing of Ministry of Shipping (erstwhile Ministry of Surface Transport) for payment of imports on c.i.f. basis, **only for imports through ocean transport**. Such approvals will not be required by Public Sector Undertakings/Government Departments, if the mode of transport is other than ocean transport.

4. The direction contained in this circular has been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and is without prejudice to permissions / approvals, if any, required under any other law.

5. Authorised Dealer Banks may bring the contents of this circular to the notice of their constituents and customers concerned.

Yours faithfully,

**( Grace Koshie )**

**Chief General Manager**

Encl: As above

**ANNEXURE**  
[A.P. (DIR Series)  
Circular No.12  
dated September 25, 2004]

**MINISTRY OF FINANCE**

(Department of Economic Affairs)

**NOTIFICATION**

New Delhi, the 27<sup>th</sup> October 2003

G.S.R.849(E). - In Exercise of the powers conferred by Section 5 and Sub-section (1) and clause (a) of Sub-section (2) of Section 46 of the Foreign Exchange Management Act, 1999 (42 of 1999), and in consultation with the Reserve Bank, the Central Government having considered it necessary in the public interest, makes the following amendment in the Foreign Exchange Management (Current Account Transactions) Rules, 2000, namely :-

1. Short Title and Commencement :---(1) These rules may be called the Foreign Exchange Management (Current Account Transactions) (Fourth Amendment) Rules, 2003.

(2) They shall come into force from the date of their publication in the Official Gazette.

2. In the Foreign Exchange Management (Current Account Transaction) Rules, 2000, in Schedule II, under the heading "purpose of Remittance", in item 4, after the words "Payment of import" the words "through ocean transport" shall be inserted.

[F.No.1/5/EC/2000-Vol.II]

U.K. SINHA, Jt.Secy.

Foot Note :- The principal rules were published in the Official Gazette vide G.S.R.381(E) dated 3<sup>rd</sup> May 2000 in Part II, Section 3, Sub-section (i) and subsequently last amended vide No.G.S.R.731(E) dated 5<sup>th</sup> September 2003.