

RBI/2005 – 06/49
A. P. (DIR Series) Circular No. 01

July 12, 2005

To

All Banks Authorised to Deal in Foreign Exchange

Madam/Sir,

**Import of Goods of Value USD 100,000 and Less -
Clarification on Follow up for Evidence of Import**

Attention of Authorised Dealer (AD) banks is invited to para A.10.1 of the Annexure to A. P. (DIR Series) Circular No 106 dated June 19, 2003 in terms of which it is obligatory on the part of ADs to follow up with the importers for submission of evidence of import where the value of foreign exchange remitted for import exceeds USD 100,000.

2. References have been received from ADs regarding follow up of submission of evidence of import where the amount of remittance is USD 100,000 or less. It is clarified that ADs need not follow up submission of evidence of import involving amount of USD 100,000 or less provided they are satisfied about the genuineness of the transaction and the bonafides of the remitter. A suitable policy may be framed by the bank's Board of Directors and the ADs may set their own internal guidelines to deal with such cases.

3. 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 is without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(Vinay Baijal)
General Manager-in-Charge