

October 23, 2006

To,

**All Category I Authorised Dealer Banks**

Madam / Sir,

**Guidelines for Compilation of R>Returns**  
**Bank-wide consolidated R-Return**

Attention of Authorised Dealer Category I (AD Category I) banks is invited to A. P. (DIR Series) Circular No.77 dated March 13, 2004 in terms of which they are required to submit separate branch-wise hard copy of the cover page of R-Return (NOSTRO) and R-Return (VOSTRO) together with a soft copy (floppy) of the details of foreign exchange transactions undertaken by them, using the latest version of FETERS [Version 6.2 (R)], to the office of the Reserve Bank under whose jurisdiction the concerned office / branch of the AD Category I bank is situated.

2. With a view to providing greater flexibility to the AD Category I banks, it has been decided to provide an **option** to the AD Category I banks to submit R-Return for the bank as a whole as a single return. Accordingly, with effect from the first fortnight of November 2006, AD Category I banks, having the facility for centralised processing of the data on foreign exchange transactions, may either submit bank-wide R-Return or continue with the existing system of submission of branch-wise R-Return. The features of the bank-wide R-Return are annexed.

3. It may be noted that the option of submitting branch-wise R-Return under the existing system will eventually be phased out and all AD Category I banks will be required to switch over to the new system. Therefore, banks which are not exercising the option of submission of bank-wide R-Return immediately, may,

however, initiate necessary steps and create requisite infrastructure for a smooth transition from branch-wise submission to the system of bank-wide R-Return.

4. It is emphasised that AD Category I banks are required to ensure that the returns and statements submitted to Reserve Bank reflect accurately and completely all the relevant foreign exchange transactions undertaken by them during the reporting period. Failure on the part of the AD Category I banks to furnish these returns accurately and in a timely manner will be viewed seriously by the Reserve Bank and may attract appropriate action in terms of section 10 and 11 of the Foreign Exchange Management Act (FEMA), 1999.

5. The directions contained in this circular have been issued under Sections 10(4) and 11(1) of the FEMA 1999 (42 of 1999).

Yours faithfully,

**(M. Sebastian)**  
**Chief General Manager**

**Annex**

[A. P. (DIR Series) Circular No. 10 dated October 23, 2006]

**Features of the optional system for submission of bank-wide R-Return**

- (a) Under the optional procedure, the AD Category I banks may obtain an 'in principle' approval from Reserve Bank of India, Foreign Exchange Department, Central Office, Trade Division, Amar Bhawan, Mumbai 400 001 for submission of bank-wide R-Return.
- (b) The AD Category I bank opting for the new system has to ensure that all its branches are covered under the bank-wide R-Return reporting system.
- (c) Under the bank-wide R-Return reporting system, hard copy of the cover page of R-Return (NOSTRO) and R-Return (VOSTRO) will be submitted by the nodal branch of the bank to the office of Reserve Bank under whose jurisdiction the concerned office / branch of the AD Category I bank is situated.
- (d) The nodal branch of the bank will be responsible for the accuracy, completeness and timely submission of FET-ERS data in respect of all its branches. The AD Category I bank may directly approach the Director, DESACS, at the undernoted address for the soft copy **format** and submit the soft copy of the bank-wide R-Return to

The Director,  
Balance of Payments Statistics Division (BPSD),  
Department of Statistical Analysis and  
Computer Services (DESACS),  
Reserve Bank of India,  
C-9, 8<sup>th</sup> Floor,  
Bandra-Kurla Complex,  
Bandra (East),  
Mumbai - 400 050  
(E-mail: [feters@rbi.org.in](mailto:feters@rbi.org.in) )

- (e) The authorised signatory of the hard copy of the cover page will also be responsible for ensuring that the soft copy data is consistent with the data provided in the hard copy of the cover page.