

November 16, 2006

To

All Category - I Authorised Dealer Banks

Madam/Sir,

**Facilities to NRIs/PIO and Foreign Nationals - Liberalisation**

Attention of Authorised Dealer Category - I (AD Category - I) banks is invited to Regulation 4 of Foreign Exchange Management (Remittance of Assets) Regulations, 2000 notified vide Notification No. FEMA.13/2000-RB dated 3rd May 2000 and as amended from time to time, and A. P. (DIR Series) Circular No. 67 dated January 13, 2003.

2. The existing regulations permit Non-Resident Indians (NRIs) and Persons of Indian Origin (PIO) to remit up to USD one million per calendar year for any bonafide purpose out of the balances in their Non-Resident Ordinary (NRO) accounts. The balance in the NRO accounts may also include the sale proceeds of immoveable property acquired by the non-resident out of her/his resources in India, or sale proceeds of property received by way of inheritance or gift. The remittance of sale proceeds of the immoveable property is at present subject to a lock-in period of 10 years.

3. With a view to further liberalise the procedure and provide greater flexibility, the lock-in period of 10 years for remittance of sale proceeds of immovable property has been dispensed with. Accordingly, AD Category - I banks may, now allow remittances out of balances in NRO accounts including sale proceeds of immovable property provided the amount does not exceed USD one million per financial year (April-March). Other terms and conditions will remain unchanged.

4. AD - Category I banks may furnish, on a quarterly basis, a statement on the number of applicants and total amount remitted, as per proforma annexed, to the Chief General Manager-in-Charge, Foreign Exchange Department, Foreign Investments Division (NRFAD), Reserve Bank of India, Central Office, Mumbai-400001 within 10 days of the reporting quarter. [Click here](#) to send the soft copy of the statement by e-mail.

5. Necessary amendments to the Foreign Exchange Management (Remittance of Assets) Regulations, 2000 are being notified separately.

6. AD Category- I banks may bring the contents of the circular to the notice of their constituents concerned.

7. 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,

**(Salim Gangadharan)**  
Chief General Manager-in-Charge

**Annex**

Statement indicating the details of remittances made by NRIs/PIO/Foreign nationals out of the NRO accounts for the quarter ended

**Name of the Bank:**

<b>No. of remittance on account of</b>			<b>Amount (in USD)</b>		
Sale proceeds of immovable property	Other assets	Total	Sale proceeds of immovable property	Other assets	Total

Signature of the authorised official :

Name and Designation:

Date :