

May 08 , 2007

To,

All Category - I Authorised Dealer Banks

Madam / Sir,

Liberalised Remittance Scheme for Resident Individuals- Enhancement of limit from USD 50,000 to USD 100,000

Attention of Authorised Dealer Category I (AD – Category I) banks is invited to A. P. (DIR Series) Circular No. 64 dated February 4, 2004 and A. P. (DIR Series) Circular No. 24 dated December 20, 2006 on the Liberalised Remittance Scheme for Resident Individuals (the Scheme).

2. As announced in the Annual Policy Statement for the year 2007-08 (para 137), the existing limit of USD 50,000 per financial year under the Scheme has been enhanced to USD 100,000 per financial year (April- March). Accordingly, AD Category – I banks may allow remittance up to USD 100,000, per financial year, for any permitted current or capital account transactions or a combination of both. The modified Application cum Declaration form is annexed.

3. It is clarified that such remittances are allowed under the Scheme only in respect of permissible current or capital account transactions. All other transactions which are otherwise not permissible under FEMA and those in the nature of remittance for margins or margin calls to overseas exchanges / overseas counterparty are not allowed under the Scheme.

4. It is further clarified that banks should not extend any kind of credit facilities to resident individuals to facilitate remittances under the Scheme.

5. All other conditions mentioned in A. P. (DIR Series) Circular No. 64 dated February 4, 2004 and A. P. (DIR Series) Circular No. 24 dated December 20, 2006 shall remain unchanged.

6. Necessary amendments to Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000 (Notification No. FEMA 16/2000-RB dated 3rd May 2000) are being notified separately.

7. AD - Category I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

8. The directions contained in this Circular have been issued under Section 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

[Annex to A. P. (DIR Series) Circular No. 51 dated May 08, 2007]

Application cum Declaration for purchase of foreign exchange under the Liberalised Remittance Scheme of USD 100,000 for Resident individuals

(To be completed by the applicant)

I. Details of the applicant

a. Name

b. Address.....

c. Account No.....

d. PAN No.....

II. Details of the foreign exchange required

1. Amount (Specify currency).....

2. Purpose

III. Source of funds:

IV. Nature of instrument

Draft.....

Direct remittance.....

V. Details of the remittance made under the Scheme in the financial year (April- March) 200...

Date :..... Amount :.....

VI. Details of the Beneficiary

1. Name

2. Address

3. Country

4*. Name and address of the bank.....

5*. Account No.....

(* Required only when the remittance is to be directly credited to the bank account of the beneficiary)

This is to authorize you to debit my account and effect the foreign exchange remittance/issue a draft as detailed above. (strike out whichever is not applicable).

Declaration

I,(Name), hereby declare that the total amount of foreign exchange purchased from or remitted through, all sources in India during the financial year as per item No. V of the Application, is within the limit of USD 100,000/-(US Dollar One lakh only), which is the limit prescribed by the Reserve Bank for the purpose and certify that the source of funds for making the said remittance belongs to me and will not be used for prohibited purposes.

Signature of the applicant

(Name)

Certificate by the Authorised Dealer

This is to certify that the remittance is not being made by/ to ineligible entities and that the remittance is in conformity with the instructions issued by the Reserve Bank from time to time under the Scheme.

Name and designation of the authorised official:

Place:

Signature:

Date: Stamp and Seal