

May 18, 2007

To,

All Persons Authorised to Deal in Foreign Exchange

Madam / Sir,

Foreign Exchange Management (Realisation, Repatriation and Surrender of Foreign Exchange) Regulations, 2000

Attention of Authorised Persons in foreign exchange is invited to Regulations 5 and 6 of Notification No. FEMA 9/2000-RB dated May 3, 2000, as amended from time to time (the Notification), in terms of which different periods, as under, have been stipulated for surrender of received / realised / unspent / unused foreign exchange from the date of receipt / realisation / purchase / acquisition / date of return of the traveler, to an authorised person :

- Foreign exchange due or accrued as remuneration for services rendered, settlement of any lawful obligation, income on assets held outside India, as inheritance, settlement or gift, within seven days from the date of its receipt, and in all other cases, within ninety days from the date of its receipt.
- Foreign exchange acquired or purchased for any purpose but not used it for such purpose or for any other purpose for which purchase or acquisition of foreign exchange is permissible, within a period of sixty days from the date of its acquisition or purchase.
- Unspent balance of foreign exchange drawn for travel purpose, within ninety days from the date of return of the traveler to India, when the unspent balance is in the form of currency notes and coins, and within one hundred eighty days from the date of return of the traveler to India when the unspent foreign exchange is in the form of travelers cheques.

2. As announced in the Annual Policy Statement for the Year 2007-08 [para 146(i) (viii)], it has been decided to prescribe a uniform period for surrender of received / realised / unspent / unused foreign exchange by resident individuals. Accordingly, it will be in order for any resident individual to surrender received / realised / unspent / unused foreign exchange to an authorised person within a period of 180 days from the date of receipt / realisation / purchase / acquisition / date of return of the traveler, as the case may be. In all other cases, the regulations / directions on surrender requirement shall remain unchanged.

3. Necessary amendments Notification No. FEMA 9/2000-RB dated May 3, 2000 [the Foreign Exchange Management (Realisation, Repatriation and Surrender of Foreign Exchange) Regulations, 2000] are being issued separately.

4. Authorised persons in foreign exchange may bring the contents of this circular to the notice of their constituents and customers concerned.

5. 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