



**RESERVE BANK OF INDIA**  
**Foreign Exchange Department**  
**Central Office**  
**Mumbai - 400 001**

**RBI/2013-2014/437**

**A.P. (DIR Series) Circular No. 87**

**January 9, 2014**

To

All Banks Authorised to deal in Foreign Exchange

Madam/Sir,

**Resident Bank account maintained by residents in India –  
Joint holder – liberalization**

Attention of Authorised Dealer (AD) banks is invited to [A.P.\(DIR Series\) Circular No.12 dated September 15, 2011](#) in terms of which individuals resident in India were permitted to include non-resident close relative(s) (relatives as defined in Section 6 of the Companies Act, 1956) as a joint holder(s) in their resident savings bank accounts on “former or survivor” basis. Such non-resident Indian close relatives are however not eligible to operate the account during the life time of the resident account holder in terms of said instructions.

2. Reserve Bank has received representations that for operational convenience the Non-Resident Indians (NRIs), as defined in Regulation 2(vi) of FEMA Notification No.5 dated May 3, 2000, may be permitted to operate such accounts on “Either or Survivor” basis. Accordingly, on a review, it has been decided that AD banks may include an NRI close relative (relatives as defined in Section 6 of the Companies Act, 1956) in existing / new resident bank accounts as joint holder with the resident account holder on “Either or Survivor” basis subject to the following conditions:

- a) Such account will be treated as resident bank account for all purposes and all regulations applicable to a resident bank account shall be applicable.
- b) Cheques, instruments, remittances, cash, card or any other proceeds belonging to the NRI close relative shall not be eligible for credit to this account.
- c) The NRI close relative shall operate such account only for and on behalf of the resident for domestic payment and not for creating any beneficial interest for himself.

- d) Where the NRI close relative becomes a joint holder with more than one resident in such account, such NRI close relative should be the close relative of all the resident bank account holders.
- e) Where due to any eventuality, the non-resident account holder becomes the survivor of such an account, it shall be categorized as Non-Resident Ordinary Rupee (NRO) account as per the extant regulations.
- f) Onus will be on the non-resident account holder to keep AD bank informed to get the account categorized as NRO account and all such regulations as applicable to NRO account shall be applicable.
- g) The above joint account holder facility may be extended to all types of resident accounts including savings bank account.

3. While extending this facility the AD bank should satisfy itself about the actual need for such a facility and also obtain the following declaration duly signed by the non-resident account holder:

“I am the joint account holder of SB/FD/RD/Current Account bearing No ..... which stands in my name and in the name of Shri/Smt. .... who is my ..... (state relationship). I hereby undertake that I shall not use the proceeds lying in the above account for any transaction in contravention of the provisions of the Foreign Exchange Management Act (FEMA) 1999, Rules/Regulations made thereunder and the related circulars/instructions issued by the Reserve Bank from time to time. I further undertake that if any such transaction is put through the said account in contravention of the FEMA, 1999 or Rules/Regulations made thereunder, I shall be held responsible for the same. I shall intimate my bank in the event of any change in my Non-resident / Resident status.”

4. Authorised Dealer Category – I banks 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 Section 11(1) of the FEMA, 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully,

**(Rudra Narayan Kar)**  
**Chief General Manager In-Charge**