



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

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**RBI/2011-12/174**  
**A.P. (DIR Series) Circular No. 13**

**September 15, 2011**

To

All Banks Authorised to Deal in Foreign Exchange

Madam / Sir,s

**NRIs/PIOs holding NRE/ FCNR(B) accounts jointly with  
Indian resident close relative - liberalisation**

Attention of the Authorised Dealer (AD) banks is invited to Schedules 1 and 2 of [FEMA Notification No. 5/2000-RB dated May 3, 2000](#) viz. Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time, in terms of which Non-Resident (External) Rupee Account Scheme [NRE] and Foreign Currency (Non-Resident) Account (Banks) Scheme [FCNR(B)], respectively are operated. In terms of the extant provisions contained in para 9(a) of Schedule-1 and Para 11(1) of Schedule-2 of the Notification *ibid*, NRIs / PIOs are not permitted to open NRE/FCNR (B) accounts jointly with a resident.

2. The Committee to review the facilities for individuals under the Foreign Exchange Management Act, 1999 has in its Report recommended that NRIs may be permitted to open joint FCNR(B) /NRE account with a resident close relative (means relative as defined in the section 6 of the Companies Act, 1956).

3. On a review, it has been decided that Non-Resident Indian (NRI), as defined in FEMA Notification No. 5, *ibid*, may be permitted to open NRE / FCNR(B) account with their resident close relative (relative as defined in Section 6 of the Companies Act, 1956) on 'former or survivor' basis. The resident close relative shall be eligible to operate the account as a Power of Attorney holder in

accordance with extant instructions during the life time of the NRI/ PIO account holder.

4. AD banks may bring the contents of this circular to the notice of their account holders concerned.

5. The necessary amendments to Foreign Exchange Management (Deposit) Regulations, 2000 contained in Notification No. FEMA.5/2000-RB dated 3rd May 2000, are being issued separately.

6. 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 are without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully,

**(Meena Hemchandra)**

**Chief General Manager In-Charge**