



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

RBI /2009-10/275

A.P. (DIR Series) Circular No. 22

December 29, 2009

To,

All Category - I Authorised Dealers Banks

Madam / Sir,

Exchange Earner's Foreign Currency (EEFC) Account – Clarification

Attention of Authorised Dealer Category –I (AD Category-I) banks is invited to Regulation 4 of Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations, 2000 notified vide [Notification no. FEMA 10/ 2000- RB](#) dated May 3, 2000, as amended from time to time, in terms of which a person resident in India is permitted to open, hold and maintain with an Authorized Dealer in India a Foreign Currency Account known as Exchange Earner's Foreign Currency (EEFC) Account subject to the terms and conditions of the Exchange Earner's Foreign Currency Account Scheme specified in the Schedule to the above mentioned Notification. Further, in terms of [A.P. \(DIR Series\) Circular No.15](#) dated November 30, 2006, all categories of foreign exchange earners are allowed to credit up to 100 per cent of their foreign exchange earnings, as specified in the paragraph 1 (A) of the Schedule, to their EEFC Account.

2. We have been receiving queries from various types of foreign exchange earners, particularly from the SEZ developers, about their eligibility to open, hold and maintain EEFC Account. It is therefore, clarified that all categories of foreign exchange earners are allowed to credit up to 100 per cent of their foreign exchange earnings, as specified in the paragraph 1 (A) of the Schedule, to their EEFC Account. As such, it will be in order for the Authorised Dealers to allow

SEZ developers to open, hold and maintain EEFC Account and to credit up to 100 per cent of their foreign exchange earnings, as specified in the paragraph 1 (A) of the Schedule.

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

4. The Directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 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