



RESERVE BANK OF INDIA
Mumbai - 400 001

RBI/2016-17/8
A.P. (DIR Series) Circular No. 1

July 07, 2016

To

All Category - I Authorised Dealer Banks

Madam/Sir,

Discontinuation of Reporting of Bank Guarantee on behalf of service importers

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to para no. 5 of the [Master Direction No.8 dated January 01, 2016](#) on 'Other Remittance Facilities' in terms of which, AD Category-I banks were permitted to issue guarantees in favour of a non-resident service provider on behalf of their resident customers importing services, subject to the conditions laid therein. AD Category-I banks were also advised vide para no.1, Part X of the [Master Direction on 'Reporting under Foreign Exchange Management Act, 1999' dated January 1, 2016](#), to report to the Chief General Manager-in- Charge, Foreign Exchange Department, Foreign Investments Division (EPD), Reserve Bank of India, Central Office, Mumbai-400001 details about invocation of bank guarantee for service imports.

2. On a review of the reporting requirements and to reduce the burden of compliance, AD Category I banks are advised to discontinue submission of such reports with immediate effect. They may, however, maintain records of such invocations and furnish the required details to RBI whenever sought.

3. The [Master Direction No. 18 dated January 01, 2016](#) is being updated to reflect the changes.

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

Yours faithfully,

(Shekhar Bhatnagar)
Chief General Manager-in- charge