

**A.P. (DIR Series) Circular No.1 (June 1, 2000)**

**RESERVE BANK OF INDIA  
EXCHANGE CONTROL DEPARTMENT  
CENTRAL OFFICE  
MUMBAI 400 023**

June 1, 2000

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A.P. (F.L. Series) Circular No.1

To

All authorised persons in Foreign Exchange

**Foreign Exchange Management Act (FEMA), 1999**

Attention of the Full Fledged Money Changers (FFMCs) is invited to para 4 of AD(MA Series) Circular No.11 dated 16<sup>th</sup> May 2000 wherein it has been indicated that the directions contained therein shall be applicable, mutatis-mutandis to money changers and they shall continue to be governed by the provisions of FLM/RLM as amended from time to time. In terms of FEMA 1999, the current regulations stand modified as under :

**1. Quantum of exchange permitted to be released for the approved purposes**

(a) Exchange not exceeding US \$ 5000 or its equivalent per person in one calendar year for one or more private visits to any country (except Nepal and Bhutan) as against the quantum of exchange now allowed under BTQ (para 10 of FLM).

(b) Exchange not exceeding US \$ 25000 to a person irrespective of period of stay for business travel as against various scales of exchange existing as of now (para 11 of FLM).

**2. Documentation**

It has been decided that henceforth the Reserve Bank will not prescribe the documents which should be verified by the Money Changers while releasing foreign exchange. In this connection attention of Money Changers is drawn to sub-section (5) of Section 10 of the Foreign Exchange Management Act, 1999 (42 of 1999) which provides that an authorised person shall before undertaking any transaction in foreign exchange on behalf of any person require that person to make such a declaration and to give such information as will reasonably satisfy him that the transaction will not involve and is not designed for the purpose of any contravention or evasion of the provisions of the Act or any rule, regulation, notification, direction or order issued thereunder. Money Changers are advised to keep on record any information/documentation on the basis of which the transaction was undertaken for verification by the Reserve Bank. The said clause further provides that where the said person (applicant) refuses to comply with any such requirement or makes unsatisfactory compliance therewith, the authorised person shall refuse in

writing to undertake the transaction and shall if he has reasons to believe that any contravention/evasion is contemplated by the person, report the matter to Reserve Bank.

3. FFMCs are advised that they shall continue to be governed by all other provisions of FLM.

4. Amendments to FLM will be issued separately. In the meantime authorised persons may bring the contents of this circular to the notice of their constituents.

5. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999). Any contravention or non-observance of these directions is subject to the penalties prescribed under the Act.

Yours faithfully,  
**B. Maheshwaran**  
Chief General Manager