

Use of International Credit Cards on Internet

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The Reserve Bank of India in paragraph 3, of its Circular AP(DIR Series) No.19 dated October 30, 2000, had indicated that Credit Cards, ATM Cards and Debit Cards etc, being only different methods of payment, all Rules/Regulations and directions issued under the Foreign Exchange Management Act, 1999 (FEMA), apply to Credit Cards, Debit Cards and ATM Cards etc. also.

With a view to clarifying the permissible uses of International Credit Cards on Internet, it is clarified that :-

- (i) International Credit Cards can be used on Internet for any purpose for which exchange can be purchased from an Authorised Dealer in India, e.g. for import of books, purchase of downloadable softwares or import of any other item permissible under EXIM Policy.
- (ii) International Credit Cards **cannot** be used on Internet or otherwise for purchase of prohibited items, like for purchase lottery tickets, banned or proscribed magazines, participation in sweepstakes, payment for call-back services etc., since no drawal of foreign exchange is permitted for such items/activities.
- (iii) There is no aggregate monetary ceiling separately prescribed for use of International Credit Cards through Internet.

It is further clarified that Debit Cards and ATM Cards can also be used for any purpose for which foreign exchange can be purchased from an Authorised Dealer in India.

Authorised dealers are also permitted to accept payment by debit to credit cards for exports made out of India. Guidelines for the purpose are being issued separately by the Reserve Bank.

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