



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

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**RBI/2004-05/492**  
**A.P. (DIR Series) Circular No. 46**

**June 14, 2005**

To

**All banks authorised to deal in Foreign Exchange**

Madam/Sirs,

**Use of International Debit Cards/Store Value Cards/Charge Cards/Smart Cards by Resident Indians while on a visit outside India**

Reserve Bank of India has, vide its Notification No. FEMA 15/2000-RB dated 3rd May 2000, notified debit cards, ATM cards or any other instrument that can be used to create a financial liability, as 'currency'. It was further clarified vide A.P. (DIR Series) Circular No. 73 dated January 24, 2003 that the restrictions contained in Rule 5 of the Foreign Exchange Management (Current Account Transactions) Rules, 2000 are not applicable for use of International Credit Cards (ICCs) by residents for making payment towards expenses while on a visit outside India, to the extent of the limit of the card.

**A. International Debit Cards**

2. It is understood that banks authorised to deal in foreign exchange (AD banks) are issuing International Debit Cards (IDCs) which can be used by a resident for drawing cash or making payment to a merchant establishment overseas during his visit abroad. It is clarified that IDCs can be used **only for permissible current account transactions and the item-wise limits as mentioned in the Schedules to the Government of India Notification No.G.S.R. 381(E) dated May 3, 2000, as amended from time to time, are equally applicable to payments made through use of these cards.**

3. It is further clarified that the IDCs cannot be used on internet for purchase of prohibited items like lottery tickets, banned or proscribed magazines, participation in sweepstakes, payment for call-back services etc.,

i.e. for such items/activities for which drawal of foreign exchange is not permitted.

#### 4. **Documentation and Reporting**

While issuing IDCs, the AD banks may ensure that the extant procedures and documentation required for release of foreign exchange are followed. Further, the International Banking Divisions/Foreign Exchange Departments of AD banks may submit a statement as on December 31, each year (as per proforma annexed) **in case the aggregate forex utilization by the IDC holders exceeds USD 100,000 in a calendar year**. The statement should reach the Chief General Manager, Foreign Exchange Department, External Payments Division, Central Office, Mumbai- 400 001 on or before 20th January of the succeeding year.

#### **B. Store Value Cards/ Charge Cards/Smart Cards etc.**

5. It has come to our notice that certain AD banks are also issuing Store Value Card/Charge Card/Smart Card to residents traveling on private/business visit abroad which are used for making payments at overseas merchant establishments and also for drawing cash from ATM terminals. It is clarified that no prior permission from Reserve Bank is required for issue of such cards. **However, the use of such cards is limited to permissible current account transactions and subject to the prescribed limits under the Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time.**

6. Authorised Dealers banks may bring the contents of this circular to the notice of their constituents and customers.

7. The direction contained in this circular has been issued under section 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions/approvals, if any required under any other law.

Yours faithfully,

**(Vinay Baijal)**  
General Manager-in-Charge

Proforma

Statement indicating the details of forex utilization of IDCs for amount exceeding USD 100,000 in a calendar year - As on December 31, \_\_\_\_\_

Name of the Bank:

Name of the Account holder	Amount (in USD)		Remarks
	Drawn in Cash	Used at merchant establishments	

Signature :

Name & Designation :

Date :

Seal :