

**RESERVE BANK OF INDIA  
FOREIGN EXCHANGE DEPARTMENT  
CENTRAL OFFICE  
MUMBAI 400 001**

**Notification No. FEMA 10 (R) /2015-RB**

**January 21, 2016  
(Amended upto April 29, 2025)  
(Amended upto January 15, 2025)  
(Amended upto November 19, 2024)  
(Amended upto April 23, 2024)  
(Amended upto February 27, 2019)  
(Amended upto June 01, 2016)**

**Foreign Exchange Management (Foreign currency accounts by a person  
resident in India) Regulations, 2015**

In exercise of the powers conferred by Section 9 and clause (e) of sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), and in supersession of [Notification No. FEMA 10/2000-RB dated May 3, 2000](#), as amended from time to time, the Reserve Bank of India makes the following regulations for opening, holding and maintaining of Foreign Currency Accounts and the limits up to which amounts can be held in such accounts by a person resident in India, namely:

**1. Short title and commencement:-**

- i) These Regulations may be called the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations, 2015.
- ii) They shall come into force from the date of their publication in the official gazette.

**2. Definitions:-**

In these Regulations, unless the context otherwise requires, -

- i) 'Act' means the Foreign Exchange Management Act, 1999 (42 of 1999);
- ii) 'Authorised dealer' means a person authorised as an authorised dealer under subsection (1) of section 10 of the Act;
- iii) 'Foreign Currency Account' means an account held or maintained in currency other than the currency of India or Nepal or Bhutan;
- iv) 'Schedule' means schedule to these Regulations;
- v) the words and expressions used but not defined in these Regulations shall have the same meanings respectively assigned to them in the Act.

**3. Restriction on holding foreign currency account by a person resident in India:-**

Save as otherwise provided in the Act or rules or regulations made there under, no person resident in India shall open or hold or maintain a foreign currency account:

Provided that a Foreign Currency Account held or maintained before the commencement of these Regulations by a person resident in India with special or

general permission of the Reserve Bank, shall be deemed to be held or maintained under these Regulations:

Provided further that the Reserve Bank, may on an application made to it, permit a person resident in India to open or hold or maintain a Foreign Currency Account, subject to such terms and conditions as may be considered necessary.

#### **4. Opening, holding and maintaining Foreign Currency Accounts in India**

##### **(A) Exchange Earners' Foreign Currency Account:-**

A person resident in India may open, hold and maintain with an authorised dealer in India, a Foreign Currency Account to be known as Exchange Earners' Foreign Currency (EEFC) Account, subject to the terms and conditions of the Exchange Earners' Foreign Currency Account Scheme specified in the [Schedule I](#).

##### **(B) Resident Foreign Currency Account:-**

(1) A person resident in India may open, hold and maintain with an authorised dealer in India a Foreign Currency Account, to be known as a Resident Foreign Currency (RFC) Account, out of foreign exchange –

- a. received as pension or any other superannuation or other monetary benefits from his employer outside India; or
- b. realised on conversion of the assets referred to in sub-section (4) of section 6 of the Act, and repatriated to India; or
- c. received or acquired as gift or inheritance from a person referred to in sub-section (4) of section 6 of the Act; or
- d. referred to in clause (c) of section 9 of the Act, or acquired as gift or inheritance there from; or
- e. received as the proceeds of life insurance policy claims/ maturity/ surrender values settled in foreign currency from an insurance company in India permitted to undertake life insurance business by the Insurance Regulatory and Development Authority.

(2) The funds in a Resident Foreign Currency Account opened or held or maintained in terms of sub-regulation (1) shall be free from all restrictions regarding utilisation of foreign currency balances including any restriction on investment in any form, by whatever name called, outside India.

(3) Resident individuals are permitted to include resident relative(s) as joint holder(s) in their Resident Foreign Currency account on 'former or survivor' basis. However, such resident Indian relative joint account holder shall not be eligible to operate the account during the life time of the resident account holder.

Explanation– For the purpose of this sub-regulation, the expression 'relative' shall have the same meaning as assigned to it under section 2(77) of the Companies Act, 2013.

##### **(C) Resident Foreign Currency (Domestic) Account**

(1) A resident Individual may open, hold and maintain with an Authorised Dealer in India a foreign currency account, to be known as Resident Foreign Currency (Domestic) Account, out of foreign exchange acquired in the form of currency notes, bank notes and travellers' cheques as under:

- a. by way of payment for services not arising from any business in or anything done in India while on a visit to any place outside India; or
- b. from any person not resident in India and who is on a visit to India, as honorarium or gift or for services rendered or in settlement of any lawful obligation; or
- c. by way of honorarium or gift while on a visit to any place outside India; or
- d. in the form of unspent amount of foreign exchange acquired by him from an authorised person for travel abroad; or
- e. as gift from a relative;

Explanation - For the purpose of this sub-regulation, the expression 'relative' shall have the same meaning as assigned to it under section 2(77) of the Companies Act, 2013.

- f. by way of earning through export of goods/ services, or as royalty, honorarium or by any other lawful means;
- g. representing the disinvestment proceeds received by the resident account holder on conversion of shares held by him to ADRs/ GDRs under the DR Scheme, 2014 approved by the Government of India.
- h. by way of earnings received as the proceeds of life insurance policy claims/ maturity/ surrender values settled in foreign currency from an insurance company in India permitted to undertake life insurance business by the Insurance Regulatory and Development Authority

(2) Debits to the account shall be for payments towards a current account transaction in accordance with the provisions of the Foreign Exchange Management (Current Account Transactions) Rules, 2000 and towards a capital account transaction permissible under the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000.

(3) The account shall be maintained in the form of Current Account and shall not bear any interest.

(4) There shall be no ceiling on the balances in the account

#### **(D) A Unit in a Special Economic Zone (SEZ)**

A unit located in a Special Economic Zone may open hold and maintain a Foreign Currency Account with an authorized dealer in India provided that,

- a. all foreign exchange funds received by the unit in the Special Economic Zone (SEZ) are credited to such account,
- b. no foreign exchange purchased in India against rupees shall be credited to the account without prior permission from the Reserve Bank,
- c. the funds held in the account shall be used for bona fide trade transactions of the unit in the SEZ with the person resident in India or otherwise,
- d. the balances in the accounts shall be exempt from the restrictions imposed under Rule 5, except item 1(ii) of the Schedule III, of the Government of India Notification No.GSR.381(E) dated May 3, 2000, as amended from time to time.

Provided that the funds held in these accounts shall not be lent or made available in any manner to any person or entity resident in India not being a unit in Special Economic Zones.

#### **(E) Diamond Dollar Accounts (DDAs)**

An Authorized Dealer Category-I bank in India may allow firms and companies who comply with the eligibility criteria stipulated in the Foreign Trade Policy of Government of India, in force from time to time and the directions as may be issued by Reserve Bank of India, from time to time, to open, hold and maintain Diamond Dollar Accounts (DDAs) in India subject to the terms and conditions of the DDA Scheme specified in [Schedule II](#).

#### **(F) Exporters**

A person resident in India, being an exporter who has undertaken a construction contract or a turnkey project outside India or who is exporting services or engineering goods from India on deferred payment terms may open, hold and maintain a Foreign Currency Account with a bank in India, provided that -

- a. approval as required under the Foreign Exchange Management (Export of goods and services) Regulations, 2015 has been obtained for undertaking the contract/ project/ export of goods or services, and
- b. the terms and conditions stipulated in the letter of approval have been duly complied with.

#### **(G) Other cases**

(1) The Indian agent of a shipping or an airline company incorporated outside India, may open, hold and maintain a Foreign Currency Account with an authorized dealer in India for meeting the local expenses in India of such airline or shipping company:

Provided that the credits to such accounts are only by way of freight or passage fare collections in India or from his principal outside India.

(2)<sup>1</sup> An authorized dealer in India may, subject to the directions as may be issued by the Reserve Bank, allow shipmaning/ crew managing agencies in India and re-insurance and composite insurance brokers registered with IRDA to open and maintain non-interest bearing foreign currency accounts in India for the purpose of undertaking transactions in the ordinary course of their business.

(3) An authorized dealer in India may, subject to the directions as may be issued by the Reserve Bank, allow Project Offices set up in India by foreign companies in terms of Foreign Exchange Management (Establishment in India of Branch or Office or other Place of Business) Regulations, 2000 dated May 3, 2000, as amended from time to time to open, hold and maintain non-interest bearing one or more foreign currency accounts in India for the projects to be executed in India.

(4) An Indian company receiving foreign investment under FDI route in terms of Foreign Exchange Management (Transfer or Issue of security by a Person

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<sup>1</sup> Modified vide [Notification No. FEMA 10\(R\)\(2\)/2019-RB dated February 27, 2019](#). Prior to modification, it read as "An authorized dealer in India may, subject to the directions as may be issued by the Reserve Bank, allow shipmaning/ crew managing agencies in India to open and maintain non-interest bearing foreign currency accounts in India for the purpose of undertaking transactions in the ordinary course of their business."

Resident outside India) Regulations, 2000 dated May 3, 2000, may open and maintain a foreign currency account with an Authorized Dealer in India.

Provided that the Indian investee company has impending foreign currency expenditure and the account shall be closed immediately after the requirements are completed and in no case shall be operational for more than six months from the date of opening of such account.

(5) An authorized dealer in India may, subject to the directions as may be issued by the Reserve Bank, allow opening temporary foreign currency accounts by organisers of international seminars, conferences, conventions etc. for holding such events in India for the receipt of the delegate fees and payment towards expenses including payment to special invitees from abroad.

## **5. Opening, holding and maintaining a Foreign Currency Account outside India:-**

### **(A) Accounts of authorised dealers or their branches**

(1) An authorised dealer in India may open, hold and maintain with his branch or head office or correspondent outside India, a Foreign Currency Account for the purpose of transacting foreign exchange business and other matters incidental thereto, in accordance with the provisions of the Act or the rules or regulations made or the directions issued thereunder.

(2) A branch outside India of a bank incorporated or constituted in India may open, hold and maintain with a bank outside India, a Foreign Currency Account for the purpose of carrying on normal banking business outside India, subject to compliance with the directions or guidelines issued from time to time by the Reserve Bank, and the regulatory authority in the country where the branch is located.

### **(B) Account by a company/ firm in the name of its office/ branch/ representative outside India**

A firm or a company or a body corporate registered or incorporated in India (hereinafter referred to as 'the Indian entity') may open, hold and maintain in the name of its office (trading or non-trading) or its branch set up outside India or its representative posted outside India, a foreign currency account with a bank outside India by making remittances from India for the purpose of normal business operations of the office/ branch or representative;

Provided that –

(a) the overseas branch/ office has been set up or representative is posted overseas for conducting normal business activities of the Indian entity;

(b) the total remittances made under this sub-Regulation by the Indian entity, to all such accounts in an accounting year shall not exceed

- i. 15 per cent of the average annual sales/ income or turnover of the Indian entity during the last two financial years or up to 25 per cent of the net worth, whichever is higher, where the remittances are made to meet initial expenses of the branch or office or representative; and

- ii. 10 per cent of such average annual sales/ income or turnover during the last financial year where the remittances are made to meet recurring expenses of the branch or office or representative;

(c) the overseas branch/ office/ representative shall not enter in any contract or agreement in contravention of the Act, Rules or Regulations made thereunder;

(d) the account so opened, held or maintained shall be closed,

- i. if the overseas branch/ office is not set up within six months of opening the account, or
- ii. within one month of closure of the overseas branch/ office, or
- iii. where no representative is posted for six months,

and the balance held in the account shall be repatriated to India;

Provided further that the restriction contained in clause (b) of the first proviso shall not apply in a case where –

1. the remittances to the account maintained under this sub-Regulation are made out of funds held in EEFC account of the Indian entity, or
2. the overseas branch/ office is set up or representative posted by a 100% Export Oriented Unit (EOU) or a unit in Export Processing Zone (EPZ) or in a Hardware Technology Park or in a Software Technology Park, within two years of establishment of the Unit.

Explanation: For the purpose of this sub-Regulation,

1. Purchase or acquisition of office equipment and other assets required for normal business operations of the overseas branch/ office/ representative will not be deemed as a capital account transaction;
2. Transfer or acquisition of immovable property outside India, other than by way of lease not exceeding five years, by the overseas branch/ office/ representative will be subject to the Foreign Exchange Management (Acquisition and Transfer of Immovable Property outside India) Regulations, 2015.

### **(C) Exporters**

A person resident in India, being an exporter who has undertaken a construction contract or a turnkey project outside India or who is exporting services or engineering goods from India on deferred payment terms may open, hold and maintain a Foreign Currency Account with a bank outside India, provided that -

- a. approval as required under the Foreign Exchange Management (Export of goods and services) Regulations, 2015 has been obtained for undertaking the contract/ project/ export of goods or services, and
- b. the terms and conditions stipulated in the letter of approval have been duly complied with.

<sup>2</sup>CA. A person resident in India, being an exporter, may open, hold and maintain a Foreign Currency Account with a bank outside India, for realisation of full export value and advance remittance received by the exporter towards export of goods or

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<sup>2</sup> Inserted vide [No. FEMA 10\(R\)\(5\)/2025-RB dated January 15, 2025.](#)

services. Funds in this account may be utilised by the exporter for paying for its imports into India or repatriated into India within a period not exceeding the end of the next month from the date of receipt of the funds after adjusting for forward commitments, provided that the realisation and repatriation requirements as specified in Regulation 9 of Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 are also met.

#### **(D) For making Overseas Direct Investment**

An Indian party may open, hold and maintain Foreign Currency Account abroad for the purpose of making overseas direct investments subject to the following terms and conditions:

- a. The Indian party is eligible for making overseas direct investment in terms of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 as amended from time to time
- b. The host country regulations stipulate that the investment into the country is required to be routed through a designated account.
- c. The account shall be opened, held and maintained as per the regulation of the host country.
- d. The remittances sent to the account by the Indian party should be utilized only for making overseas direct investment into the Joint Venture/ Wholly Owned Subsidiary (JV/ WOS) abroad.
- e. Any amount received in the account by way of dividend and/ or other entitlements from the subsidiary shall be repatriated to India within 30 days from the date of credit.
- f. The Indian party should submit the details of debits and credits in the account on yearly basis to the designated AD bank with a certificate from the Statutory Auditors of the Indian party certifying that the account was maintained as per the host country laws and the extant FEMA regulations / provisions as applicable.
- g. The account so opened shall be closed immediately or within 30 days from the date of disinvestment from JV/ WOS or cessation thereof.

Explanation: For the purpose of this regulation, the expression 'Indian party' shall have the same meaning as assigned to it in Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004."

#### **<sup>3</sup>(E) Accounts in respect of Startups**

An Indian startup or any other entity as may be notified by the Reserve Bank in consultation with the Central Government, having an overseas subsidiary, may open a foreign currency account with a bank outside India for the purpose of crediting to it foreign exchange earnings out of exports/ sales made by the said entity and/ or the receivables, arising out of exports/ sales, of its overseas subsidiary.

Provided that the balances in the account shall be repatriated to India within the period prescribed in Foreign Exchange Management (Export of Goods and

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<sup>3</sup> Inserted with effect from June 1, 2016 vide GSR 570(E) dated June 1, 2016.

Services) Regulations, 2015 dated January 12, 2016, as amended from time to time, for realization of export proceeds.

<sup>4</sup>Explanation: For the purpose of this sub-regulation a 'startup' will mean an entity recognised as a startup by the Department for Promotion of Industry and Internal Trade pursuant to notification number G.S.R. 127(E) dated February 19, 2019, and as amended from time to time”

#### **<sup>5</sup>(F) Other Cases**

(1) <sup>6</sup>Subject to compliance with the conditions in regard to raising of External Commercial Borrowings (ECB) or raising of resources through American Depository Receipts (ADRs) or Global Depository Receipts (GDRs) or through direct listing of equity shares of companies incorporated in India on International Exchanges, the funds so raised may, pending their utilisation or repatriation to India, be held in foreign currency accounts with a bank outside India.

(2) A shipping or airline company incorporated in India may open, hold and maintain with a bank outside India, a Foreign Currency Account for the purpose of undertaking transactions in the ordinary course of its business.

(3) <sup>7</sup>Insurance/ reinsurance companies registered with Insurance Regulatory and Development Authority of India (IRDA) to carry out insurance/ reinsurance business may open, hold and maintain a Foreign Currency Account with a bank outside India for the purpose of meeting the expenditure incidental to the insurance/ reinsurance business carried on by them and for that purpose, credit to such account the insurance/reinsurance premia received by them outside India.”

(4) Resident individuals may open, maintain and hold foreign currency accounts with a bank outside India for making remittances under the Liberalised Remittance Scheme (hereinafter referred to as the “Scheme”). The account may be used for putting though all transactions connected with or arising from remittances eligible under this Scheme

(5) A person resident in India who has gone out of India to participate in an exhibition/ trade fair outside India may open, hold and maintain a Foreign Currency Account with a bank outside India for crediting the sale proceeds of goods on display in the exhibition/ trade fair:

Provided that the balance in the account is repatriated to India through normal banking channels within a period of one month from the date of closure of the exhibition/ trade fair.

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<sup>4</sup> Modified vide [Foreign Exchange Management \(Foreign Currency Accounts by a person resident in India\) \(Fourth Amendment\) Regulations, 2024](#) w.e.f. 19.11.2024. Prior to the modification, it read as “A startup will mean an entity which complies with the conditions laid down in Notification No. GSR 180(E) dated February 17, 2016, issued by Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India”.

<sup>5</sup> Renumbered as “F” with effect from June 1, 2016 vide GSR 570(E) dated June 1, 2016. Prior to renumbering, it read as “E”.

<sup>6</sup> Modified vide [Foreign Exchange Management \(Foreign Currency Accounts by a person resident in India\) \(Amendment\) Regulations, 2024](#) w.e.f. 23.04.2024. Prior to modification, it read as “Subject to compliance with the conditions in regard to raising of External Commercial Borrowings (ECB) or raising of resources through American Depository Receipts (ADRs) or Global Depository Receipts (GDRs), the funds so raised may, pending their utilisation or repatriation to India, be held in foreign currency accounts with a bank outside India.”

<sup>7</sup> Inserted with effect from June 1, 2016 vide GSR 570(E) dated June 1, 2016. Prior to insertion, it read as, “Life Insurance Corporation of India or General Insurance Corporation of India and its subsidiaries may open, hold and maintain with a bank outside India, a Foreign Currency Account for the purpose of meeting the expenditure incidental to the insurance business carried on by them and for that purpose, credit to such account the insurance premia received by them outside India.”



(6) A person resident in India who has gone abroad for studies may open, hold and maintain a Foreign Currency Account with a bank outside India during his stay outside India.

Provided that all credits from India into the account shall be made in accordance with the Act, Rules and Regulations made thereunder.

Provided further that on his return to India, after completion of studies, such an account will be deemed to have been opened under the Liberalised Remittance Scheme.

(7) A person resident in India who is on a visit to a foreign country may open, hold and maintain a Foreign Currency Account with a bank outside India during his stay outside India, provided that on his return to India, the balance in the account is repatriated to India.

(8) (i) A citizen of a foreign State, resident in India, being an employee of a foreign company or a citizen of India, employed by a foreign company outside India and in either case on deputation to the office/ branch/ subsidiary/ joint venture/ group company in India of such foreign company may open, hold and maintain a foreign currency account with a bank outside India and receive the whole salary payable to him for the services rendered to the office/ branch/ subsidiary/ joint venture/ group company in India of such foreign company, by credit to such account, subject to payment of taxes, as applicable in India.

(ii) A citizen of a foreign State resident in India being in employment with a company incorporated in India may open, hold and maintain a foreign currency account with a bank outside India and remit the whole salary received in India in Indian Rupees, to such account, for the services rendered to such an Indian company, subject to payment of taxes, as applicable in India.

Explanation:- For the purpose of this sub regulation, the expression 'company' shall include a 'Limited Liability Partnership' as defined under The Limited Liability Partnership Act, 2008.

## **6. Types of accounts:-**

Unless otherwise specified in these Regulations, a Foreign Currency Account with an authorised dealer in India under these Regulations may be opened, held and maintained:

- a. in the form of current or savings or term deposit account in cases where the account holder is an individual, and in the form of current account or term deposit account in all other cases:

Provided that the EEFC account referred to in Regulation 4 (A), shall be opened, held or maintained in a manner as prescribed by the Reserve Bank from time to time.

- b. singly or jointly in the name of person eligible to open, hold and maintain such account.

## **7. Remittances out of the account after the account holder's death:-**

On the death of a foreign currency account holder, -

- a. the authorised dealer with whom the account is held or maintained may remit to a nominee being a person resident outside India, funds to the extent of his share or entitlement from the account of the deceased account holder;
- b. a nominee being a person resident in India, who is desirous of remitting funds outside India out of his share for meeting the liabilities abroad of the deceased, may apply to the Reserve Bank for such remittance;
- c. A resident nominee of an account held outside India in accordance with Regulation 5 shall close the account and bring back the proceeds to India through banking channels.

**8. Responsibility of authorised dealers maintaining foreign currency accounts:-**

An authorised dealer maintaining foreign currency accounts shall -

- a. comply with the directions issued by the Reserve Bank from time to time; and
- b. submit periodic return or statement, if any, as may be stipulated by the Reserve Bank.

(N. Senthil Kumar)  
**Chief General Manager**

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**Schedule I**  
**(See Sub-Regulation (A) of Regulation 4)**

**Exchange Earner's Foreign Currency (EEFC) Account Scheme**

**1. Limit up to which foreign currency may be credited to EEFC account**

(1) A person resident in India may credit to the EEFC Account with an Authorised Dealer in India 100 percent of the foreign exchange earnings as specified here under:

i) inward remittance through banking channel, other than the remittance received pursuant to any undertaking given to the Reserve Bank or which represents foreign currency loan raised or investment received from outside India or those received for meeting specific obligations by the account holder;

ii) payments received in foreign exchange by a 100 per cent Export Oriented Unit or a unit in (a) Export Processing Zone or (b) Software Technology Park or (c) Electronic Hardware Technology Park for supply of goods to similar such unit or to a unit in Domestic Tariff Area and also payments received in foreign exchange by a unit in Domestic Tariff Area for supply of goods to a unit in Special Economic Zone (SEZ);

iii) payments received by an exporter from an account maintained with an authorised dealer for the purpose of counter trade, in accordance with the approval granted in terms of the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015, as amended from time to time;

iv) advance remittance received by an exporter towards export of goods or services;

v) payment received for export of goods and services from India, out of funds representing repayment of State Credit in U.S. dollar held in the account of Bank for Foreign Economic Affairs, Moscow, with an authorised dealer in India;

(vi) Professional earnings including director's fees, consultancy fees, lecture fees, honorarium and similar other earnings received by a professional by rendering services in his individual capacity.

<sup>8</sup>(vii) Payments received in foreign exchange by an Indian startup, or any other entity as may be notified by the Reserve Bank in consultation with the Central Government, arising out of exports/ sales made by the said entity or its overseas subsidiaries, if any.

<sup>9</sup>Explanation: For the purpose of this schedule a 'startup' will mean an entity recognised as a startup by the Department for Promotion of Industry and Internal Trade pursuant to notification number G.S.R. 127(E) dated February 19, 2019, and as amended from time to time.

(2) For the purpose of the sub-paragraph (1), payment received through an international credit card for which reimbursement will be provided in foreign exchange may be regarded as a remittance through banking channels.

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<sup>8</sup> Inserted with effect from June 1, 2016 vide GSR 570(E) dated June 1, 2016.

<sup>9</sup> Modified vide [Foreign Exchange Management \(Foreign Currency Accounts by a person resident in India\) \(Fourth Amendment\) Regulations, 2024 w.e.f. 19.11.2024](#). Prior to modification, it read as "A startup will mean an entity which complies with the conditions laid down in Notification No. GSR 180(E) dated February 17, 2016, issued by Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India"

## **2. Permissible credits to EEFC account**

Following credits may be made to an EEFC Account, namely –

- i) Inward remittance/ payment received by the recipient in foreign exchange subject to the provisions of paragraph (1);
- ii) Interest earned on the funds held in the account;
- iii) Re-credit of unutilised foreign currency earlier withdrawn from the account;
- iv) Amount representing repayment by the account holder's importer customer, of loan/ advances granted in terms of clause (iv) of Paragraph 3.
- v) Representing the disinvestment proceeds received by the resident accountholder on conversion of shares held by him to ADRs/ GDRs under the DR Scheme, 2014 approved by the Government of India

## **3. Permissible debits to the EEFC account**

Following debits may be made to an EEFC Account, namely -

- i) Payment outside India towards a current account transaction in accordance with the provisions of the Foreign Exchange Management (Current Account Transactions) Rules, 2000 and towards a capital account transaction permissible under the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000.
- ii) Payment in foreign exchange towards cost of goods purchased from a 100 percent Export Oriented Unit or a Unit in (a) Export Processing Zone or (b) Software Technology Park or (c) Electronic Hardware Technology Park
- iii) Payment of customs duty in accordance with the provisions of Export Import Policy of Central Government for the time being in force.
- iv) Trade related loans/ advances, by an exporter holding such account to his importer customer outside India, subject to compliance with the Foreign Exchange Management (Borrowing and Lending in Foreign Exchange) Regulations, 2000.
- v) Payment in foreign exchange to a person resident in India for supply of goods/ services including payments for air fare and hotel expenditure.

## **4. Miscellaneous:-**

- i) There is no restriction on withdrawal in rupees of funds held in an EEFC account. However, the amount so withdrawn in rupees cannot be re-credited to the account.
- ii) Authorised dealer may issue cheque books of separate series with the superscription "EEFC Account" to the account holders maintaining such accounts, and also satisfy himself while honouring the cheques that the payment made by the account holder by issue of a cheque is permissible under these Regulations.
- iii) Resident individuals are permitted to include resident relative(s) as a joint holder(s) in their EEFC account on 'former or survivor' basis. However, such resident Indian relative(s) shall not be eligible to operate the account during the life time of the resident account holder.

Explanation– For the purpose of this sub-regulation, 'relative' means relative as defined in section 2(77) of the Companies Act, 2013.

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**Schedule II**  
**(See Sub – regulation (E) of Regulation 4)**

**Diamond Dollar Account (DDA) Scheme**

**1. Firms and companies may open and maintain DDA with AD Category–I banks, subject to the following terms and conditions:-**

- a. The exporter should comply with the eligibility criteria stipulated in the Foreign Trade Policy of the Government of India, issued from time to time.
- b. The DDA shall be opened in the name of the exporter and maintained in US Dollars only.
- c. The account shall only be in the form of current account and no interest should be paid on the balance held in the account.
- d. No intra-account transfer should be allowed between the DDAs maintained by the account holder.
- e. An exporter firm/ company shall be permitted to open and maintain not more than 5 DDAs.
- f. The balances held in the accounts shall be subject to Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) requirements.
- g. Exporter firms and companies maintaining foreign currency accounts, excluding EEFC accounts, with banks in India or abroad, are not eligible to open Diamond Dollar Accounts.

**2. Permissible Credits:-**

- i. Amount of pre-shipment and post-shipment finance availed in US Dollars.
- ii. Realisation of export proceeds from shipments of rough, cut, polished diamonds and diamond studded jewellery.
- iii. Realisation in US Dollars from local sale of rough, cut and polished diamonds.

**3. Permissible Debits:-**

- i. Payment for import/ purchase of rough diamonds from overseas/ local sources.
- ii. Payment for purchase of cut and polished diamonds, coloured gemstones and plain gold jewellery from local sources.
- iii. Payment for import/ purchase of gold from overseas/ nominated agencies and repayment of US Dollars loans availed from the bank.
- iv. Transfer to rupee account of the exporter.

The above transactions are subject to the provisions of the Foreign Trade Policy of Government of India, issued from time to time.

**4. Application Procedure:-**

The exporter firm/ company shall make an application in the format annexed to the AD Category – I bank for opening of the DDA. AD Category - I banks should assess the track record of the firm / company at the end of every licensing year

(April-March). In case any firm/ company fails to meet the eligibility criteria, the account may be closed immediately.

## APPLICATION FOR OPENING DIAMOND DOLLAR ACCOUNT/S

To,  
The Branch Manager/ (name & address of AD bank/branch)

Dear Sir,

We are dealing in purchase/ sale of rough or cut and polished diamonds / precious metal jewellery plain, minakari and/ or studded with/ without diamond and/or other stones, with a track record of at least three years<sup>10</sup> in import / export of diamonds / coloured gemstones / diamond and coloured gemstones studded jewellery /plain gold jewellery, and having an average annual turnover of Rs 3 crore or above during preceding three licensing years.

2. We wish to open a current account/s under the Diamond Dollar Account Scheme with your bank in accordance with the provisions of (mention the relevant paragraph) of the Foreign Trade Policy (period e.g. 2009-2014) of the Government of India read with the Handbook of Procedures (mention the relevant Volume No.) issued by Ministry of Commerce & Industry, Government of India.

3. The relevant particulars are furnished below:

- i) Name of the Firm / Company:
- ii) Address of the Registered Office:
- iii) Principal business:
- iv) IE Code No.:
- v) Annual Turnover of the last two Years (enclose certificate of CA):
- vi) Details of the EEFC account, if any :

4. We confirm that we are not maintaining any foreign currency account, excluding EEFC account, with banks in India or abroad.

5. We declare that we are not maintaining more than 5 DDAs including the one proposed to be opened with your branch.

6. We declare that we are neither on the caution list of exporters of Reserve Bank of India nor on the defaulters list of Export Credit Guarantee Corporation of India Ltd (ECGC).

7. We undertake to abide by the rules of the Diamond Dollar Account Scheme framed / to be framed from time to time and the terms and conditions stipulated for opening and maintenance of the DDA with your bank and any other foreign exchange / foreign trade regulation of Reserve Bank of India / Government of India.

We request you to open a Diamond Dollar Account/s in the name of the firm/company.

(Signature of the Authorized Official of the firm / company)

Name:

Designation:

Seal of firm / company:

Date:

Place:

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<sup>10</sup> Modified vide [Notification No 10\(R\)\(6\)/2025-RB dated April 29, 2025](#). Prior to modification, it read as '2 years'

Published in the Official Gazette of Government of India – Extraordinary – Part-II, Section 3, Sub-Section (i) dated 21.01.2016- G.S.R.No.96(E) and subsequently amended as under:-

G.S.R.No. 570(E) dated 01.06.2016

[G.S.R.No. 160\(E\) dated 27.02.2019](#)

Notification No. [Foreign Exchange Management \(Foreign Currency Accounts by a person resident in India\) \(Amendment\) Regulations, 2024](#) w.e.f. 23.04.2024 published in the Gazette of India [Extraordinary, Part III–Section 4], vide Gazette ID CG-MH-E-23042024-253829 dated 19.04.2024.

Notification No. [Foreign Exchange Management \(Foreign Currency Accounts by a person resident in India\) \(Fourth Amendment\) Regulations, 2024](#) w.e.f. 19.11.2024 published in the Gazette of India [Extraordinary, Part III–Section 4], vide Gazette ID CG-MH-E-21112024-258803 dated 19.11.2024.

Notification No. [Foreign Exchange Management \(Foreign Currency Accounts by a person resident in India\) \(Fifth Amendment\) Regulations, 2025](#) w.e.f. 15.01.2025 published in the Gazette of India [Extraordinary, Part III–Section 4], vide Gazette ID CG-MH-E-15012025-260250 dated 15.01.2025.

Notification No. [Foreign Exchange Management \(Foreign Currency Accounts by a person resident in India\) \(Sixth Amendment\) Regulations, 2025](#) published in the Gazette of India [Extraordinary, Part III–Section 4], vide Gazette ID CG-MH-E-30042025-262784 dated 29.04.2025.