Foreign Exchange Facilities for Residents

April 7, 1998

Exchange control regulations in India, for travel and other purposes have been substantially liberalised in recent times. Residents can now freely draw foreign exchange for various purposes through Authorised Dealers (ADs). Full details of exchange control regulations are given in Exchange Control Manual (Vol.I). Brief particulars of the foreign exchange facilities frequently required by resident individuals are narrated below. For the sake of convenience and easy reference relevant paragraphs of the Exchange Control Manual have been indicated in brackets against each facility. All commonly used forms are available with authorised dealers.

Purpose	**Admissible exchange**	**Documents/Conditions**
1. *Business Visits* *(Chapter 8, Annexure I , Part A ,item III)* *(……item VIII)*	i) Chief/ Senior Executives Up to US$ 500 per day for 45 days + Entertainment Allowance up to US$ 5,000 per trip. ii) Others - Up to US$ 350 per day for 45 days + Entertainment Allowance up to US$ 2,000 per trip *Note*: If the exchange required inclusive of expenses towards entertainment/ secretarial etc. expenses is less than US$5,000 it may be released regardless of the duration of visit and per diem rate in both the above cases. iii)Visits against foreign hospitality - Up to US$ 500 for first 10 days and thereafter @ US$ 50 per day for maximum of 45 days .	Letter from the sponsoring firm/company/organisation giving details of the visit Documentary evidence of foreign hospitality
2. International Conferences/Seminars (Chapter 8, Annexure I, Part A, item VI)	i) Registration fee on actual basis ii) Maintenance for the duration of the conference +2 days : (a) Up to US$ 500 per day for Chief / Senior Executives (b) Up to US$ 350 per day for other executives .	a) Letter from sponsoring institution with full details b) Brochure containing full particulars of the conference / seminar
3. *Medical Treatment* *(Chapter8, Annexure I,*	i) For Patients: (a) Hospitalisation expenses up	a) Form TRM1 duly certified by the treating physician/

Part A ,item XI)	to the estimate given by the overseas doctor/hospital (b)Pre/post hospitalisation expenses @ US$ 150 per day for the period recommended by the treating physician/surgeon subject to a maximum of two months ii) <u>For attendant</u>: US$ 150 per day for the period of the stay of the patient <u>Note</u>: Proof of expenditure incurred on hospitalisation to be submitted to the authorised dealer on return in all these cases.	surgeon in India b) Copies of correspondence with the overseas doctor/ hospital. c) Persons who fall ill after proceeding abroad and need additional exchange for medical treatment should send a certificate in form TRM2 signed by the attending doctor/ hospital abroad.
4. <u>Medical Check-up/Consultation Abroad</u> (Chapter 8, Annexure I, PartA ,item XII)	i) For check-up/consultation - Up to US$ 1,000 ii) Pre/post consultation/check up- (a) US$ 150 per day to patient up to 7 days (b) US$ 150 per day to the attendant for the period up to which exchange is released to the patient.	a) letter with details b) Certificate from the attending doctor in India indicating the need for attendant to accompany
5. <u>Studies Abroad</u> *(Chapter 8, Annexure I, PartA,item XVI)*	i) Actual requirements towards tuition fee, maintenance, books, minor equipment etc. for actual duration of the course subject to maximum of US$ 30,000 per annum. ii) Deposit towards advance tution fees / maintenance if insisted upon by the institution and at least 50% is refundable if student does not join. iii) Amount of assistantship/ scholarship to be adjusted from the quota iv) Students in receipt of full assistance from university/	a) Application in form TRS b) Letter of admission from foreign university/ institution. c) Document to indicate tution fees and expected requirement towards maintenance and books etc.

	institution are allowed US$ 1,500 towards initial expenses only. Note: Students already persuing studies abroad are also eligible to draw exchange for the balance period of studies .	
6. *Specialised Training/Study Tour* *(Chapter 8, Annexure I, Part A, Item VII)*	i) Course fee (applicable to training only) up to US$ 5,000 ii) Maintenance up to US$ 300 per day for 30 days [if the amount requested for is less than US$ 5,000,it may be released regardless of duration of stay]. iii) Where the entire cost of training is borne by overseas organisation, applicant is entitled for exchange for maximum of 30days @ US$ 50 per day for incidental expenses.	a) Letter from sponsoring organisation b) Letter from overseas institution agreeing to provide the necessary facilities for training/study tour c) Documentary evidence regarding course fee payable
7. *Apprenticeship Training (under a collaboration agreement for persons employed in a manufacturing concern)* *(Chapter 8, Annexure I, PartA, Item XIII)*	i) Up to US$2,000 per month for 3 months ii) Where the entire cost of training is borne by overseas organisation - @ US$ 50 per day up to 30 days for incidental expenses with a minimum of US$500.	Letter from sponsoring organisation indicating full details of the facilities for training, duration etc.
8. *Employment Abroad* *(Chapter 8, Annexure I, Par A, Item IX)*	Up to US$ 2,500 per person	Letter of appointment from overseas organisation in original with a copy.
9. *Private Visits Basic Travel Quota Scheme* *(Chapter 8, Annexure I, Part A, item XV)*	Basic Travel Quota(BTQ) for one or more private visits to any country (except Nepal and Bhutan) up to US$ 3,000 during a calendar year. Note: Travellers going to neighbouring countries viz. Pakistan, Bangladesh & Myanmar by land route are also eligible for BTQ	Declaration regarding exchange already availed of during the calender year and Passport togetherwith photocopy and journey ticket. If the traveller is a foreign national a declaration to the effect that he/she is permanently resident in India and is not availing facility of remitting salary and savings abroad.
10. *Emigration*	Up to US$ 3,000 per person/per	Documentary evidence from

(Chapter8, Annexure I, PartA ,ItemX)	member of the family or the amount required by the country of emigration	the Mission in India of the concerned country, if amount required exceeds US$ 3,000
11. *Gifts toRelatives/ Friends abroad* *(Chapter 8, AnnexureI, PartB, Item IIA)*	Up to US$ 1,000 per calendar year per person to a relative/ friend residing abroad on any event/festival/occasion	Form REM
12. *Expenses/ Maintenance to close relatives* residing abroad* *(Chapter 8, AnnexureI, Part B ItemIIB)*	Up to US$ 5,000 per calendar year per beneficiary by a family unit * son/daughter/father/mother/ brother/sister/grandfather/ grandmother	a) Form REM b) Documentary evidence about beneficiary's current income and reason for his inability to return to India and how the beneficiary has been maintaining himself in the past.
13. *Donations to Charitable/ Educational/ Religious/Cultural organisations abroad* *(Chapter 8, PartB,item VI)*	i) Up to US$ 1,000 ii) No limit for donations to victims of calamities like floods, earthquakes etc. to organisations/ institutions abroad affiliated to inter- governmental bodies.	Documentary evidence such as brochure indicating the name address and activities of the organisation, types of services offered and also the purpose for which donation has been sought
14. *Misc.Remittances such as Membership fees, correspondence course fees, examination fees, subscriptions to newspapers/ magazines and other service related payments* *(Chapter8, Annexure I, Part B,ItemV)*	Actuals (maximum US$ 25,000 per transaction)	Documentary evidence such as original invoice, bills, debit notes etc. from the overseas organisation
15. *Advertisements in print media abroad or on Internet* *(Chapter 8, Annexure I,Part B, ItemIX)*	Actuals	a) Invoice/bill from overseas publisher, clippings of advertisements b) Undertaking/certificate regarding payment of income-tax in the prescribed form.
16. *Training/Coach-ing for sports activities covering- i)Indian sports- persons under- taking training in sports activities abroad* *ii) Engagement of overseas*	Actuals	a) Full particulars regarding the proposed training b) Letter of invitation/offer c) Undertaking or Certificate regarding payment of income-tax in the prescribed format.

coaches/trainers for coaching sportspersons in India *(Chapter 8, Annexure I, PartB ,Item XII)*		
17. *Remittance of Prize/ Sponsorship Money for sports* *(Chapter8, Annexure I, PartB, Item XIII)*	US$25,000	a) Letter of offer or memorandum of undertaking or Agreement. b) Documentary evidence in support of the remittable amount and particulars of the sports activity , name and address of the overseas organisation.
18. *Export of gift articles by Post or Air freight* *{Chapter 6, Para6A.2and 6F.1(i)}*	(i) Where the value of the gift does not exceed Rs.10,000 (ii) For value exceeding Rs.10,000 and up to Rs.25,000	(i) A declaration from the sender that it does not exceed Rs.10,000. (ii) A certificate from an authorised dealer to be given to the Post Office indicating the value of the gift and that it does not involve any transaction in foreign exchange.
19. *Bringing in Rupees/Forex* *(Chapter 7, Para7D.4 and 7.D.5)*	i) Indian Rupees: Up to Rs.1,000 (except from Nepal where there is no restriction on the amount brought into India in denominations up to Rs.100) ii) Foreign Exchange: No restriction	If foreign currency notes, bank notes or travellers cheques exceed US$ 10,000 or its equivalent and/or the value of foreign currencies exceeds US$ 2,500 or its equivalent, it has to be declared on arrival to the Customs Authorities at the airport in the Currency Declaration Form(CDF)
20. *Taking out Indian Rupees/ Forex* *(Chapter 6, Para 6.G.2 and 6.G.3)*	i)Indian Rupees : Upto Rs.1000 (except to Nepal where there is no limit on amount for denomination upto Rs100) ii)Foreign Exchange : Residents can carry up to US$ 2,000, if already held by them (see item 9 below) in addition to the foreign exchange obtained	

	from an authorised dealer or money changer in accordance with law .	
21. *<u>Foreign Currency Accounts in India</u>* *<u>i) EEFC Accounts</u>* *(Chapter 14, Part D and Anexure I)* *<u>ii) RFC Account</u>* *(Chapter 14 , Part E)*	To avoid exchange loss on conversion of foreign exchange into Indian rupees & rupees into foreign exchange, residents can retain 50% of foreign currency remittances received from abroad in a foreign currency account viz.EEFC account with an authorised dealer in India . Funds held in EEFC account can be utilised for all current account transactions and also for approved capital a/c transaction related purposes. Returning Indians i.e. those Indians who return to India for permanent stay after a minimum stay abroad of one year are permitted to keep their foreign currency assets in a foreign currency account viz. Resident Foreign Currency (RFC) account with an authorised dealer in India.	
22. *<u>Foreign Currency Accounts/ Assets Abroad</u>*	Returning Indians { Pl. refer to item 21(ii) above}can continue to maintain their foreign currency accounts with banks abroad without any restriction . They can also continue to hold their foreign currency assets abroad without any restriction.	

<u>General Information :</u>

1. Besides authorised dealers, full-fledged money changers are also permitted to release exchange for business visits (item1)and private visit under B.T.Q (item9)

2. Exchange for travel abroad can be purchased sixty days in advance of journey date.

3. Foreign exchange for travel abroad can be purchased from banks against rupee payment in cash up to Rs.50,000/-. The entire payment should be made by way of a crossed cheque/banker's cheque/pay order/demand draft if the rupee equivalent exceeds Rs.50,000/=.

4. The scales indicated against item nos. 1 to 7 above are indicative limits. Authorised dealers have been permitted to release exchange in excess of the prescribed scales { cf: Chapter 8 , paragraph 8.A.1 (ii)}, in deserving cases.

5. Authorised dealers have been permitted to issue International Credit Cards to residents for use in India/abroad. Drawals in foreign exchange against the ICCs can be made only to the extent of the entitlements of the card holder for travel abroad for various purposes or for making personal payments like subscription to foreign journals, Internet subscription, etc. The foreign exchange entitlements should be ascertained by the card holder from the authorised dealer before undertaking the journey/incurring the expenditure. However, the cards can be freely used in India.

6. Travellers are allowed to take with them foreign currency notes/coins only up to US$ 500. Balance amount can be taken in the form of traveller's cheque or banker's draft. Exceptions to this are (a) travel to Iraq or Libya where exchange for two weeks can be drawn in the form of foreign currency notes and coins and (b) travel to Iran, Russia and other CIS countries, where exchange up to full entitlement of the traveller can be drawn in the form of foreign currency notes and coins.

7. In addition to the exchange admissible for travel abroad for various purposes , exchange up to US$ 50 is also available to resident travellers for en route expenses which can be availed of at city office of an authorised dealer or at Exchange Bureau at the airport.

8. On return from foreign trip travellers are required to surrender unspent foreign exchange held in the form of currency notes within 90days and travellers' cheques within 180 days of return. However , they can retain upto US$2,000 for future use .(Please refer to item 9 and 10 below).

9. Residents are permitted to hold foreign currency up to US$ 2,000 or its equivalent which they can take out during their subsequent visits abroad, in addition to foreign exchange drawn from authorised dealers.

10. Residents are permitted to hold foreign currencies upto US$ 500 for numismatic purposes. However , foreign currency retained for numismatic purposes together with foreign currency held in terms of item 9 above should not exceed US$2,000.

11. There is no restriction on residents holding foreign coins.

12. For the purpose of studies abroad, exchange for maintenance expenses is released in the form of (i) currency notes up to US$ 500, (ii) traveller's cheques up to US$ 1500 and the balance in the form of bank draft payable overseas .

13. For exchange facilities for undertaking Haj and Ziarat pilgrimages guidance may be sought from Haj Committee at Mumbai.

14. Dance troupes, artistes etc. who wish to undertake cultural tours abroad should apply to the Ministry of Human Resources Development, Government of India, New Delhi.

15. Taking personal jewellery out of India is governed by Baggage Rules framed under Export-Import policy by the Government of India.

16. For further details/guidance , residents may approach any bank authorised to deal in foreign exchange or contact offices of the Exchange Control Department of the Reserve Bank of India.

Published by Shri B. Maheshwaran, Chief General Manager, Exchange Control Department, Reserve Bank of India, Mumbai – 400 001