

SCHEDULE 4
[See Regulation 5(4)]

Special Non-Resident Rupee Account - SNRR account

1. Any person resident outside India, having a business interest in India, may open Special Non-Resident Rupee Account (SNRR account) with an authorised dealer for the purpose of putting through bona fide transactions in rupees, not involving any violation of the provisions of the Act, rules and regulations made thereunder.
2. The SNRR account should carry the nomenclature of the specific business for which it is in operation.
3. The operations in the SNRR account should not result in the account holder making available foreign exchange to any person resident in India against reimbursement in rupees or in any other manner.
4. The SNRR account shall not bear any interest.
5. The debits and credits in the SNRR account should be specific/ incidental to the business proposed to be done by the account holder.
6. Authorised dealers should ensure that the balances are commensurate with the business operations of the account holder.
7. All the operations in the SNRR account should be in accordance with the provisions of the Act, rules and regulations made thereunder.
8. The tenure of the SNRR account should be concurrent to the tenure of the contract/ period of operation/ the business of the account holder and in no case should exceed seven years. No operations are permissible in the account after seven years from the date of opening of the account.
9. The balances in the SNRR account shall be eligible for repatriation.
10. Transfers from any NRO account to the SNRR account are prohibited.
11. All transactions in the SNRR account will be subject to payment of applicable taxes in India.
12. SNRR account may be designated as resident rupee account on the account holder becoming a resident.
13. The amount due/ payable to non-resident nominee from the account of a deceased account holder, shall be credited to NRO account of the nominee with an authorised dealer/ authorised bank in India.
14. The transactions in the SNRR accounts shall be reported to the Reserve Bank in accordance with the directions issued by it from time to time.
15. Opening of SNRR accounts by Pakistan and Bangladesh nationals and entities incorporated in Pakistan and Bangladesh requires prior approval of Reserve Bank.