

SCHEDULE 4 [See Regulation 5(4)]

Special Non-Resident Rupee Account - SNRR account

1. ⁶Any 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. The business interest, apart from generic business interest, shall include the following INR transactions, namely, :-

i. Investments made in India in accordance with Foreign Exchange Management (Non-debt Instruments) Rules, 2019 dated October 17, 2019 and Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified vide notification no. FEMA 396/2019-RB dated October 17, 2019, as applicable, as amended from time to time;

ii. Import of goods and services in accordance with Section 5 of the Foreign Exchange Management Act 1999 (42 of 1999), read with Notification No. G.S.R. 381(E) dated May 3, 2000, viz., Foreign Exchange Management (Current Account Transaction) Rules, 2000, as amended from time to time;

iii. Export of goods and services in accordance with Section 7 of the Foreign Exchange Management Act 1999 (42 of 1999), read with Notification No. G.S.R. 381(E) dated May 3, 2000, viz., Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time, and further read with FEMA Notification No.23(R)/2015-RB dated January 12, 2016, as amended from time to time;

iv. Trade credit transactions and lending under External Commercial Borrowings (ECB) framework in accordance with Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time; and

v. Business related transactions outside International Financial Service Centre (IFSC) by IFSC units at GIFT city like administrative expenses in INR outside IFSC, INR amount from sale of scrap, government incentives in INR, etc. The account will be maintained with bank in India (outside IFSC).

⁶ Amended vide [Notification No. FEMA 5\(R\)\(3\)/2019-RB dated November 13, 2019](#). Prior to amendment, it read as “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. ⁷The SNRR account shall carry the nomenclature of the specific business for which it is in operation. Indian bank may, at its discretion, maintain separate SNRR Account for each category of transactions or a single SNRR Account for a person resident outside India engaged in multiple categories of transactions provided it is able to identify/ segregate and account them category-wise.
3. The operations in the SNRR account ⁸shall 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 ⁸shall be specific/ incidental to the business proposed to be done by the account holder.
6. Authorised dealers ⁸shall 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. ⁹ The tenure of the SNRR account shall be concurrent to the tenure of the contract / period of operation / the business of the account holder and in no case shall exceed seven years. Approval of the Reserve Bank shall be obtained in cases requiring renewal:

Provided the restriction of seven years shall not be applicable to SNRR accounts opened for the purposes stated at sub. paragraphs i to v of paragraph 1 of this schedule.

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.

⁷ Amended vide [Notification No. FEMA 5\(R\)\(3\)/2019-RB dated November 13, 2019](#). Prior to amendment, it read as “The SNRR account should carry the nomenclature of the specific business for which it is in operation”.

⁸ Amended vide [Notification No. FEMA 5\(R\)\(3\)/2019-RB dated November 13, 2019](#). Prior to amendment, it read as “should”

⁹ Amended vide [Notification No. FEMA 5\(R\)\(3\)/2019-RB dated November 13, 2019](#). Prior to amendment, it read as *“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. Approval of the Reserve Bank shall be obtained in cases requiring renewal: Provided the restriction of seven years shall not be applicable to SNRR accounts opened by a person resident outside India for the purpose of making investment in India in accordance with Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2017, as amended from time to time.”*

**Amended vide [Notification No. FEMA 5\(R\)\(1\)/2018-RB dated November 09, 2018](#). Prior to amendment, it read as “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.”*

13. ¹⁰The amount due/ payable to non-resident nominee from the account of a deceased account holder, shall be credited to NRO/NRE account of the nominee with an authorised dealer/ authorised bank in India or by remittance through normal banking channels.
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.

¹⁰ Amended vide [Notification No. FEMA 5\(R\)\(3\)/2019-RB dated November 13, 2019](#). Prior to amendment, it read as “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”.