

**Remittance of assets in India acquired by way of
inheritance/legacy/Foreign Nationals
A.P. (DIR Series) Circular No.19 (September 12, 2002)**

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

A.P. (DIR Series) Circular No.19

September 12, 2002

To

All Authorised Dealers in Foreign Exchange

Madam / Sirs,

**Remittance of assets in India acquired by way of
inheritance/legacy/Foreign Nationals**

Attention of authorised dealers is invited to Regulation 4 of Reserve Bank Notification No.FEMA.13/2000-RB dated May 3, 2000 in terms of which, authorised dealers have been permitted to allow remittance upto Rs.20 lakhs per calendar year, out of the assets in India to foreign nationals, including retired employees or non-resident widows of Indian citizens. Reserve Bank has issued Notification No.FEMA.62/RB-2002 dated May 13, 2002 (copy enclosed) amending the above Notification to enhance the existing limit of Rs.20 lakhs to USD 100,000 per calendar year and also extend the facility of remittance to Non-Resident Indians and Persons of Indian Origin (NRIs/PIOs) not exceeding USD 100,000, per calendar year, out of the assets in India acquired by way of inheritance/legacy.

2. Accordingly, it will be in order for authorised dealers to allow remittance of an amount not exceeding USD 100,000 (US Dollars one lakh only), per calendar year, out of the assets in India, by a citizen of foreign state, not being a citizen of Nepal and Bhutan or a person of Indian Origin (PIO) on production of the following :-

- (i) documentary evidence in support of acquisition of assets by the remitter, and
- (ii) a tax clearance/No Objection Certificate from the Income-Tax authority for the remittance.

3. It will be also in order for the authorised dealers to allow remittances by a Non Resident Indian and Person of Indian Origin an amount not exceeding USD 100,000 (US Dollar one lakh only) per calendar year, out of the assets in India acquired **by way of inheritance/legacy**, on production of the following :

- (i) documentary evidence to establish that the assets have been acquired by inheritance/legacy; and
- (ii) a tax-clearance/No Objection Certificate from the Income-Tax authority for the remittance.

4. In case, the remittance is to be made in more than one instalment, the remittance of all instalments should be remitted through the same authorised dealer.

5. Authorised Dealers may bring the contents of this circular to the notice of their constituents concerned.

6. The directions contained in the circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,

Grace Koshie

Chief General Manager

[A.P.(DIR Series) Circular No.19
dated September 12, 2002]

**RESERVE BANK OF INDIA
(EXCHANGE CONTROL DEPARTMENT)
CENTRAL OFFICE
MUMBAI 400 001**

Notification No.FEMA. 62 /2002-RB

dated May 13, 2002

**Foreign Exchange Management (Remittance of Assets)
(Amendment) Regulations, 2002**

In exercise of the powers conferred by Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and in partial modification of its Notification No.FEMA.13/2000-RB dated May 3, 2000, the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Remittance of Assets) Regulations, 2000, namely :

Short title and commencement

1. (i) These Regulations may be called the "Foreign Exchange Management (Remittance of Assets) (Amendment) Regulations, 2002".

(ii) They shall come into force from the date of their publication in the Official Gazette of Government of India.

Amendment of the Regulations

2. In the Foreign Exchange Management (Remittance of Assets) Regulations, 2000,

(a) In Regulation 2,

(i) after clause (ii), the following clause shall be inserted, namely :-

"(iii) 'Non-Resident Indian (NRI)' means a person resident outside India who is a citizen of India."

(ii) The existing clauses (iii), (iv) and (v) shall be renumbered as (iv), (v) and (vi) respectively.

(b) In Regulation 4,

(i) for sub-regulation (1), the following sub-regulation shall be substituted, namely :-

"(1) A person specified in sub-regulation (2) and (3) may make remittance of assets through an authorised dealer, to the extent specified in those sub-regulations."

(ii) In sub-regulation (2), the words, "Rs.20 lakhs per calendar year" shall be substituted with the words, "US \$ 1,00,000 (US Dollar One lakh only) per calendar year"

(iii) after sub-regulation (2), the following sub-regulation shall be inserted, namely :-

"(3) A Non-resident Indian (NRI)/Person of Indian Origin (PIO), may remit an amount, not exceeding US\$ 1,00,000 (US Dollar One lakh only) per calendar year, out of the assets in India acquired by him by way of inheritance/legacy on production of.

(a) documentary evidence in support of the inheritance/legacy, and

(b) a Tax clearance/no objection certificate from the Income-Tax authority for the remittance."

Provided that where the remittance is made in more than one instalment, the remittance of all instalments shall be made through the same authorised dealer.

(iv) for sub-regulation (3), the following sub-regulation shall be substituted, namely :-

"(4) An Authorised dealer in India may, without approval from Reserve bank, effect remittance of assets made by a person eligible under sub-regulation (2) or sub-regulation (3) as the case may."

(c) In Regulation 6,

the sub-regulation (1)(i) shall be substituted by :-

"(i) Remittance exceeding US\$ 1,00,000 (US Dollar One lakh only) per calendar year on account of legacy, bequest or inheritance to a citizen of foreign state permanently resident outside India."

Sd/-
(K.J.Udeshi)
Executive Director