

**Exchange Earners' Foreign Currency (EEFC) Account Scheme
A.P. (DIR Series) Circular No.78 (February 14, 2003)**

**Reserve Bank of India
Exchange Control Department
Central Office
Mumbai 400 001**

A.P. (DIR Series) Circular No.78

February 14, 2003

To

All Authorised Dealers in Foreign Exchange

Madam/Sirs,

Exchange Earners' Foreign Currency (EEFC) Account Scheme

Attention of authorised dealers is invited to para 3(iv) of Schedule to Notification No.FEMA.10/2000-RB dated 3rd May 2000. Exporters are presently permitted to grant trade related loans/advances not exceeding USD 3 million from their EEFC Account to their overseas importer customer subject to compliance with Notification No.FEMA.3/2000-RB dated 3rd May 2000 viz. the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000.

2. As a measure of relaxation to the EEFC Account Scheme, it has been decided to remove the ceiling of USD 3 million. Accordingly, it will be in order for authorised dealers to permit their exporter constituents to extend trade related loans/advances to overseas importers out of their EEFC balances without any ceiling. This relaxation shall be effective upto June 30, 2003, subject to review.

3. The transactions relating to loans/advances from EEFC Accounts may be reported by the authorised dealer on a quarterly basis, starting with the quarter ending March 31, 2003 as per the format annexed, to the concerned Regional Office of Reserve Bank.

4. Necessary amendments to the Foreign Exchange Management Regulations, 2000 are being issued separately.

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

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

Yours faithfully,

**G. Padmanabhan
General Manager-in-Charge**

ANNEXURE

[A.P. (DIR Series) Circular No.78
dated February 14, 2003]

**Statement showing the details of trade related loans
and advances by exporters to overseas importers from EEFC Account**

(Quarter ending _____)

Name of the Bank, branch

A.D. Code No. :

Name and address of the EEFC account holder	Name and address of overseas importer customer	Amount of loan/advance	<u>Schedule/mode of repayment</u>			Remarks
			Month and Year	Amount of Principal	Amount of Interest (if any)	

Signature of Authorised official

Stamp

Date :