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Annexure IV : Guidelines for granting remittance facilities to travel agents, etc. relating to remittances towards surface transportation, hotel accommodation and use of telephone cards abroad

Annexure IV

Guidelines for granting remittance facilities to travel agents/tour operators/ hotels/organisations in India out of collections made by them from the Indian travellers undertaking visits abroad and paying in foreign currency or in rupees for (i) issue of passes/tickets for surface transportation abroad or (ii) booking hotel accommodation abroad or (iii) issue of pre-paid telephone cards

[Paragraphs 8B.5 and 8C.7]

1. General

- (i) The details of the tie-up arrangement(s) for any of the above mentioned facility should be

furnished by the applicant to an authorised dealer through whom remittance facility is sought for, duly accompanied by a certified copy of the agency agreement entered into with the overseas agent/tour operator/ hotel/organisation indicating rate/amount of commission of the Indian agent, type of passes/tickets to be sold, cost of each pass/ticket, cost of hotel accommodation or telephone card (Details for each facility, country-wise where services are provided, etc. are to be furnished separately).

- (ii) Special Rupee accounts or designated foreign currency accounts after obtaining specific

permission from the Reserve Bank may be opened for the deposit of collections at different places/centres in India. However, such deposits should be pooled into one main designated account with an authorised dealer from which the remittances to the foreign agent/hotel/principal may be allowed to be made. The details of credits for amount of foreign exchange collected from each of the travellers should be furnished by the agent in India with a copy of Reserve Bank's permission for opening foreign currency account, to the designated branch of an authorised dealer at the time of application for making remittance for the above purpose.

2. Terms and Conditions

Authorised dealers may allow the remittance of net collections of amount paid by the Indian travellers after ensuring that the following terms and conditions have been fulfilled and satisfying that the remittance applied for is arrived at correctly duly supported by the appropriate documentary evidence. An undertaking to the effect of the following (wherever applicable) may also be taken from the Indian travel agent/tour operator/hotel/organisation -

- a) Deleted.
- b) The sale of passes/tickets for rail/road/water transportation abroad or facility of hotel accommodation abroad or sale of pre-paid telephone cards has been made on behalf of the overseas organisations i.e.

(name and address to be specified)

(Details to be furnished separately for each of the above facilities).

- c) Passes/tickets for rail/road/water transportation have been sold to persons resident in India (including foreign nationals permanently resident in India) holding valid air tickets for travel from/to India to a foreign country (other than Nepal and Bhutan). The air ticket number and date of its purchase and travel as also the passport number of the traveller have been endorsed on the passes/tickets issued for rail/road/water transportation abroad or on the reservation slip issued in connection with the booking of hotel accommodation abroad or voucher/slip etc. issued while selling pre-paid telephone cards.
- d) Amount/cost collected in rupees towards sale of the passes/tickets for surface transportation abroad or pre-paid telephone cards is deposited in a special rupee account to be opened for the purpose with the designated branch of an authorised dealer. No other credits should be made into this account. Debits to the account are allowed only for refunds to be paid to

travellers and remittance in foreign currency to the concerned foreign agent/principal, through the designated branch of an authorised dealer.

- e) The cost of hotel accommodation abroad has been paid out of foreign exchange released to the Indian traveller for undertaking visits abroad.
- f) Passes/tickets for surface transportation abroad or hotel accommodation or pre-paid telephone cards have been sold to non-residents (including foreign citizens not permanently resident in India) against payment received in the permitted foreign currency through normal banking channel or by debit to the NRE/FCNR account of the applicant or against payment in rupees representing proceeds of foreign currency surrendered by them during the visit of such non-residents to India, duly supported by valid encashment certificate/s in the prescribed form BCI, ECF or ECR and the conversion facility for any other purpose has not been availed of against those certificates.
- g) Proper records of sale of passes/tickets or rail/road/water transportation or booking of hotel accommodation or pre-paid telephone cards or cancellations, if any have been maintained and would be made available for inspection/verification by Reserve Bank as and when called for.
- h) Advance payment to the overseas agent/principal for providing the surface transportation facilities to the Indian travellers does not exceed 10% of the cost of passes/tickets collected in rupees/foreign currency and hotel accommodation actually collected in foreign currency from each of the travellers out of foreign exchange released for visits abroad and the advance amount as stated above would be adjusted within one month from the date of remittance. In case of failure to adjust the amount the same would be repatriated to India promptly and bank certificate in support thereof would be produced to the Reserve Bank.
- i) No advance payment towards pre-paid telephone cards has been made to the overseas principal.

3. Application

Application for remittance of the net collections to the overseas agent(s)/tour operator/hotel/principal(s) should be made (in duplicate) to the designated branch of an authorised dealer together with the following particulars/documents.

- i) Form A2
- ii) Certified copy of the agency agreement
- iii) Original invoice/rate card received from the foreign agent/tour operator/hotel/organisation.
- iv) Statement showing the total cost of passes/tickets or hotel accommodation or pre-paid telephone cards collected in Indian rupees and in foreign currency. Total numbers of Indian travellers and total amount for each facility should be shown separately and paid in rupees and in foreign currency, traveller-wise.
- v) Amount of commission/mark up and other charges of the Indian agent deducted.
- vi) Amount of refunds if any, allowed in rupees.
- vii) Net amount remitted.
- viii) Details of advance payment, if any, availed of and adjustment made before allowing remittance.
- ix) Amount collected in foreign exchange for passes/tickets and hotel accommodation, deposited in foreign currency account (duly permitted by Reserve Bank).

- x) Documentary evidence for collection in rupees from non-residents vide paragraph 2(f) above.

4. Compliance by Authorised Dealers.

- (I) Authorised dealers should ensure that the remittances towards cost of hotel accommodation abroad is allowed only out of the foreign exchange released to the traveller for visits abroad. Amount paid for the hotel reservation should be endorsed in the passport of the traveller.
- (II) Authorised dealers should further ensure that -
 - (a) Deleted.
 - (b) the applicant agent has not come to the adverse notice of Enforcement Directorate or any other law enforcing agency.
 - (c) Remittance of amount to the overseas agent/touroperator/principal represents net collection after deducting the commission due to the Indian agent and advance payment if any, allowed to the overseas agent/principal.
 - (d) the payments towards refunds to the travellers who had paid in foreign currency have been made in rupees only in India.
 - (e) the remittance facility for above purposes is on actual basis and no advance payment should be permitted for stocking of passes/ tickets/ reservation slips, etc.
 - (f) No advance payment is allowed for pre-paid telephone cards.