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FOREIGN TRAVEL AND MISCELLANEOUS REMITTANCES

PART A - FOREIGN TRAVEL

Sale of Exchange

- 8A.1 (i) Powers have been delegated to authorised dealers for release of exchange for

travel abroad for various purposes, including higher studies subject to certain guidelines. These have been set out in [Annexure I](#) (Part A) to this chapter. Intending travellers should, therefore, approach authorised dealers for drawal of exchange. The limits specified in the Annexure are indicative limits up to which exchange facilities can be made available by authorised dealers without reference to Reserve Bank. Additional exchange can also be released by authorised dealers in certain cases as indicated in sub-paragraph (ii). Applications which cannot be considered by authorised dealers within the delegated authority and those which are required to be considered by Reserve Bank in terms of the instructions laid down in this chapter should be referred to Reserve Bank by authorised dealers. While releasing exchange under the powers delegated to them or against permits issued by Reserve Bank, authorised dealers should adhere to the following:

- (a) Where permits have been issued by Reserve Bank, exchange may be sold within the period of validity stated on the permit after endorsing the sale on the reverse of the permit.
- (b) The traveller is in possession of a valid passport authorising travel to the countries proposed to be visited as well as ticket for travel to the country/countries for which exchange has been applied for. As regards release of exchange under BTQ authorised dealers/ full-fledged money changers should also keep on their records a photocopy each of the relevant pages of the traveller's passport where personal particulars are available for example name, address, date of birth, signature, photograph and number, date, place of issue and validity period of the passport, visa for country of visit, if required, and the page where endorsement for BTQ has been made alongwith the application and produce the same to the Inspecting Officials of Reserve Bank as and when demanded.
- (c) The ticket held by the traveller has been issued for a journey commencing not later than sixty days from the date of sale of foreign exchange (**not applicable in case of students going abroad for studies**).
- (d) Exchange sold should be endorsed on the traveller's passport under the authorised dealer's stamp and signature. In case of a child travelling on a parent's passport, the endorsement should be made on the joint passport.
- (e) In case of issue of travellers cheques, the traveller should be required to sign the cheques in the presence of an authorised official and the purchaser's acknowledgement for receipt of the travellers cheques should be duly obtained in the issue register maintained for such cheques or on the purchase slip.
- (f) Exchange in the form of foreign currency notes and coins may be sold up to U.S.\$ 500 or its equivalent subject to the traveller's overall foreign exchange entitlement. Exchange in the form of currency notes and coins may, however, be sold up to the full entitlement of the traveller proceeding to Islamic Republic of Iran, Russian Federation and other Republics of Commonwealth of Independent States. Exchange in the form of foreign currency notes may also be sold to businessmen visiting Iraq or Libya for a period not exceeding two weeks.

- (g) The relevant [forms A2](#) relating to sale of exchange for travel purposes should be retained by authorised dealers together with the connected papers for the purpose of verification by their Internal auditors/Reserve Bank.

- (ii) Authorised dealers may also grant exchange facilities in the following types

of cases even in excess of the prescribed scales and/or the duration of the visit abroad, provided they are satisfied about the bona fides of the application and the need for release of exchange in excess of the prescribed scales.

Purpose of visit	No. of item in Part A of Annexure I
i) Business Travel abroad including Entertainment Allowance	Items III , IV , V & VIII
ii) Participation in overseas conferences/seminars of scientific/technical/educational nature	Item VI
iii) Specialised training/Study tours/ Apprenticeship training	Items VII , XIII & XIV
iv) Medical treatment/check-up/consultation abroad	Items XI & XII

The other terms and conditions regarding release of exchange for the above purposes laid down in sub-paragraph(i) above and against the relative item mentioned above remain unchanged. The decision to release exchange in excess of the prescribed scale should be taken at the level of Officer not below the rank of Chief Manager or Officer in Scale IV. Authorised dealers should keep on record the documentary evidence produced by the applicant justifying the need for release of exchange in excess of the prescribed scale.

International Credit Cards (ICCs)

8A.2 (i) Banks or their subsidiaries in India do not require permission from Reserve Bank of India from exchange control angle for issue of ICCs to residents. The credit card issuing banks or subsidiaries may remit to the overseas organisation with whom they have tie-up arrangement the annual fees/joining fees, late payments/delinquency fees, etc., as per the rules framed by the overseas organisation concerned. The conditions governing the use of ICCs and the instructions to be followed by the card issuing banks/subsidiaries of banks are given in [Annexure II](#).

(ii) Returning Indians maintaining Resident Foreign Currency (RFC) Accounts in India or Foreign Currency Accounts abroad can also use ICCs freely **without any end-use restrictions** provided the reimbursements are made by debit to their RFC accounts in India or foreign currency accounts held abroad.

(iii) Non residents are free to nominate any resident as additional/add-on card holder. The claims arising out of use of such cards should be met by the non-residents from their foreign currency accounts maintained in India or abroad. If the additional/add-on card has been arranged by a NRI the claims against the card may be met from the NRIs' NRE/FCNR account held in India also. However, **no** remittance from India by the resident add-on cardholder will be permitted for settlement of claims against such additional/add-on credit cards.

(iv) EEFC facility will **not** be available to the recipients in respect of payments received from residents against ICCs.

(v) Residents in India are permitted to hold International Credit Cards arranged by overseas organisations provided liabilities arising out of use of such cards, in India and/or outside India, are met by the organisation arranging the card. Under any circumstances **no remittance from India** will be allowed to meet the liabilities arising out of use of such cards.

Unspent Exchange

8A.3 (i) Exchange brought back to India by a traveller should be surrendered to an

authorised dealer against payment in rupees within 90 days from the date of return of the traveller if the unspent exchange is in the form of currency notes. If such exchange is in the form of travellers cheques, the same should be surrendered to an authorised dealer within 180 days from the date of return. Exchange so retained can be utilised by the traveller for his subsequent visit abroad within the aforesaid period in terms of Reserve Bank Notification No.FERA.172/97-RB dated 24th February 1997.

(ii) Authorised dealers may, if requested by the traveller, record under their stamp and signature, details of the exchange surrendered by the traveller on the latter's passport.

NOTE: *In view of the general permission granted under the Central Government Notification referred to in NOTE D under [paragraph 3E.1](#), the requirement of surrender of unspent foreign exchange brought back would apply to foreign currency/ies held in excess of U.S.\$ 2000 or its equivalent inclusive of foreign currency/ies, if any, held for numismatic purpose.*

Cultural Tours

8A.4 Dance troupes, artistes, etc. who wish to undertake tours abroad for cultural purposes

should apply to Ministry of Human Resources Development (Department of Education and Culture), Government of India, for recommendation regarding their foreign exchange requirements. Authorised dealers may release exchange, on the strength of the sanction from the Ministry, to the extent and subject to conditions indicated therein.

Pilgrimage

8A.5 Exchange facilities for undertaking pilgrimage outside India are granted only to a.

limited extent for the performance of Haj and Ziarat Intending Haj and Ziarat pilgrims should approach the Haj Committee at Mumbai for guidance regarding the procedure to be followed by them for availing of such facilities

8A.6 Deleted

Private Visit

8A.7 Exchange is not ordinarily granted for undertaking visits abroad for private purposes.

such as meeting close relatives etc. except under Basic Travel Quota (Item [XV](#) of Part A of Annexure I). In cases where it is essential for persons to proceed abroad for any specific personal reason, applications may be referred to Reserve Bank giving details regarding country to be visited, reasons for the visit, period of visit, amount of exchange required and other relevant particulars supported by documentary evidence

Chartered Accountancy

8A.8 Authorised dealers may release exchange to students Wishing to proceed to the U.K..

to take up articleship with firms of Chartered Accountants with a view to appearing for the examination conducted by the Institute of Chartered Accountants, U.K. in terms of [item XVI](#) of Part A of Annexure I.

Remittances for Tour Arrangements, etc.

8A.9 Authorised dealers may effect remittances up to Reasonable limits if requested by a.

traveller out of his exchange Entitlement (including exchange drawn under the Basic Travel Quota) towards his hotel accommodation, tour arrangements, etc.in the countries proposed to be visited by him.

PART B -REMITTANCES BY AIRLINE/SHIPPING

COMPANIES OR THEIR AGENTS

Airline/shipping companies and their agents are required to comply with the

Exchange Control regulations laid down in [Annexure III](#) to this Chapter in the matter of acceptance of rupees/foreign currency in payment of cost of passages booked by them for journeys which are partly or wholly outside India or freight on goods exported from or imported into India or transhipped at Indian ports. Approvals for remittances of surplus collections of foreign airline/shipping companies (or their agents) and towards operating expenses by Indian airline/shipping companies are subject to adherence to these Guidelines.

Remittance of Surplus Passage/Freight Collections by Foreign Airline Companies

8B.1 (i) Foreign airline companies **operating in or through India** are required to submit to Reserve Bank through their bankers monthly statement (in duplicate) of their passage

and freight collections and disbursements made therefrom in [form SPM 1](#) duly signed by the Chief Executive in India of the airline in terms of [paragraph 22](#) of the Guidelines (Annexure III). Applications for remittance of surplus passage fare and freight collections to the non-resident owners and operators of the foreign airline companies, as and when desired, should be made by their offices or agents in India to their bankers on [form A2](#) along with the statement in [form SPM 1](#) indicating, inter alia, the amount to be remitted. The concerned authorised dealer may allow the remittance of surplus funds provided the company has produced the necessary undertaking/certificate regarding payment of income-tax ([cf. paragraph 3B.10](#)). Before allowing the remittance, the bank should verify that the concerned airline has obtained the necessary permission from Reserve Bank under Section 29 of FERA 1973 for carrying on their commercial activity in India and also advise the concerned airline company that discrepant amounts noticed during the scrutiny of the statements by Reserve Bank or the amount remitted in excess of its entitlement should be brought to India immediately by the airline company concerned by inward remittance and no adjustment from other surplus funds held/future accretions, etc. would be permitted.

(ii) Likewise, foreign off-line carriers i.e. those airline companies which are not

operating their services in or through India but are issuing their tickets and/or airway bills in India are required to submit to Reserve Bank through their bankers monthly statements (in duplicate) of their passage fare and freight collections and disbursements made therefrom in [form SPM 1](#) duly signed by the Chief Executive in India of the airline or their General Sale Agents in India in terms of [paragraph 22](#) of the Guidelines (Annexure III). Applications for remittance of surplus passage fare and freight collections should be made by their Offices or their Agents in India to their bankers on [form A2](#) alongwith the statement in [form SPM 1](#), indicating, inter alia, the amount to be remitted. The authorised dealer may allow the remittance of passage fare/freight collections subject to the terms and conditions/documents prescribed in sub-paragraph (i) and after obtaining the following additional documents:

- a) A certified copy of Reserve Bank's permission under Section 29 of FERA 1973.
- b) Approval granted by the Director General of Civil Aviation, in original, for the flight/s (i.e. YA signals) concerned, if the collections reported are in respect of flight/s to/from India.
- c) Undertaking/certificate regarding payment of income-tax ([cf. paragraph 3B.10](#)).

(iii) One copy of the statement in [form SPM 1](#) should be forwarded by the authorised

dealer to Reserve Bank after completing the certificate mentioned therein immediately after making the remittance along with the undertaking/certificate regarding payment of income-tax ([cf. paragraph 3B.10](#)). The statement should be submitted irrespective of whether remittance of surplus funds out of India is intended to be applied for or not. Authorised dealer should also specifically confirm on [form A2](#) that the remittance has been made on the basis of airline's statement in [form SPM 1](#) for the relevant month.

(iv) Authorised dealers should watch the regular receipt of the monthly statements from

the airlines concerned who are maintaining rupee accounts with them and bring to the notice of Reserve Bank cases where the statements are not received by them for any particular month.

Remittance of Surplus Passage/Freight

Collections by Foreign Shipping companies

8B.2 (i) Foreign shipping companies/their agents in India are required to submit to Reserve Bank through their bankers voyage-wise statements (in duplicate) in form [SPM 2](#)

within 35 days from the date of sailing of the vessel, vide [paragraph 23](#) of the Guidelines (Annexure III) irrespective of whether remittance of surplus funds out of India is intended to be applied for or not. Applications for remittance of surplus freight and passage fare collections due to non-resident ship owners and shipping companies operating to/from India may be made by their offices or local agents in India to their bankers on [form A2](#) together with a copy of the statement in [form SPM 2](#) and the documents mentioned therein. The concerned authorised dealer may allow the remittance after scrutinising the application in accordance with the Guidelines given in [Annexure V](#) and after satisfying that the remittable amount has been correctly arrived at with reference to the documents produced and provided that the company has submitted the necessary undertaking/certificate regarding payment of income-tax ([cf. paragraph 3 B.10](#)). Detailed guidelines for scrutiny of applications received in form [SPM 2](#) are given separately in [Annexure V](#) at the end of this Chapter. While permitting the remittance, the authorised dealer should also advise the agent that the discrepant amounts noticed during the scrutiny of the statements by Reserve Bank or the amount remitted in excess of its entitlement should be brought to India immediately by inward remittance from the overseas company concerned.

(ii) Authorised dealers should watch the receipt of the statements from the shipping

companies/their agents concerned who are maintaining bank accounts with them for crediting the freight/passage collections. They should maintain a register for recording the particulars of [SPM 2](#) statements received and remittances of surplus passage/freight collections allowed in [form SRM](#).

(iii) Authorised dealers should also forward to Reserve Bank a monthly statement of remittances allowed in [form SRM](#) i.e. the form in which a register is maintained by them, after completing the

certificate mentioned therein, alongwith copies of statements in [form SPM 2](#) without its enclosures. The statement should be sent to Reserve Bank on or before 10th day of the succeeding month. The documents submitted by the applicants alongwith SPM 2 should be preserved for a period of one year from the date of remittance or till the date of acceptance of the transaction/s as in order by their internal auditors, whichever is later.

(iv) The local agents of the overseas Non Vessel Operating Common Carriers

(NVOCCs) operating to/from India may approach the concerned Regional Office of Reserve Bank under whose jurisdiction the port of their activity falls for grant of general permission for remittance of surplus freight collections to their overseas principals, through a designated branch i.e. a branch of an authorised dealer with whom they are maintaining bank accounts styled as .A/c. _____

(Name of the Agent)

(Name of the principal)

alongwith the following documents -

- (i) Certificate of Incorporation, Memorandum and Articles of Association of the overseas company i.e. NVOCC.
- (ii) Details of its membership of any P & I Club or any other organisation for marine cargo insurance and a copy of the receipt in respect of last premium/subscription paid to such club/organisation or copy of membership certificate.
- (iii) Financial status certificate from the bankers of NVOCC.

Reserve Bank will grant general permission to the local agent to make the remittances through the designated branch. After the general permission has been granted by the Reserve Bank for the purpose, the designated branch of authorised dealer may allow the remittances of surplus freight collection to the principal NVOCC in accordance with the instructions contained in sub-paragraphs (i) to (iii) above.

(v) Foreign shipping companies operating feeder services to/from India or their agents in

India and collecting freight/slot hire charges from Main Line Operators, Multimodal Transport Operators, NVOCCs or their agents should submit to Reserve Bank a voyagewise statement in [form SPM 4](#) vide item (23A) of the Guidelines ([Annexure III](#)). Applications for remittance of surplus collections due to non-resident owners and operators of feeder services operating in or through India should be made by their local offices or agents in India to their bankers on form A 2, citing a reference to the statement submitted directly to Reserve Bank. Such applications should be referred to Reserve Bank for approval.

Remittances by Multimodal Transport Operators (MTOs) to their Overseas Agents

- 8B.3** (i) Multi Modal Transport Operators (MTOs) are allowed to issue a single document i.e. Multi-Modal Transport Document (MTD) which is a negotiable document. For

purposes of handling the export cargo the MTOs appoint agents at the port of discharge/ trans-shipment for onward transport by ocean, rail, road and/or inland water ways. The MTOs desirous of making remittances to these agents towards the services rendered by them for on-carriage of the cargo may approach a designated branch of authorised dealer with agency agreement entered with the overseas agents togetherwith a copy of the registration certificate issued by the Director General of Shipping. The designated branch may allow the remittances towards commission and other charges payable to the overseas agents after verifying the following documents.

- (a) Agency agreement indicating the rates of various items of work to be attended by him
- (b) Full details of remittance applied for in form **MTR**
- (c) Non-negotiable copy of multi-modal transport documents
- (d) Invoices/debit notes from overseas agents indicating charges for the services ended,and
- (e) Undertaking/Certificate regarding payment of income-Tax ([cf. paragraph 3B.10](#))

As a proof of on-carriage (POC), authorised dealers may call for Bill of Lading/Railway receipt/transport or lorry receipt togetherwith evidence of rates having been decided prior to shipment/ on-carriage. Authorised dealers should ensure with reference to registration certificate issued by the Director General of Shipping that the freight was collected during its validity period. In cases of freight pre-paid MTDs a declaration from exporter in [form DIC](#) may be obtained.

Note : *Change in designated branch of an authorised dealer should be advised to*

Reserve Bank

- (ii) Remittance of lease rental of containers may be allowed by authorised dealers on the

basis of approval of the Director General of Shipping to take the containers on lease, Lease Agreement, invoice of rental and a Chartered Accountant's certificate stating that the containers have been taken on the books of accounts of the leasee.

- (iii) Remittances towards cost of repairs may be allowed by authorised dealers to the

overseas company which has carried out the repairs to the containers or to the overseas agents of the applicant towards reimbursement of the expenses incurred by them for carrying out the repairs after verifying the shipping

documents to show that the containers have been taken abroad and an invoice from the overseas repairers.

(iv) MTOs are sometimes required to arrange for return of empty containers from

overseas ports to India or to any other port outside India. When the containers are being returned to India they should be received on 'charges to collect' basis. In case the empty containers are received on a foreign port, authorised dealers may allow remittances towards freight charges to overseas shipping companies or reimbursement to MTO's agents abroad, after verifying invoice from the company and service bill of lading indicating container number or copies of loading/discharge certificates from respective port authorities (please also see item 21B of [Annexure III](#)).

(v) Authorised dealers should maintain a systematic record of the remittances allowed

and related documents thereto and make them available to the internal auditors/Reserve Bank officials as and when called for.

Remittance of Insurance Premia by MTOs

8B.4 Authorised dealers may allow remittances towards insurance premia by the MTOs to the overseas through Transport Club (TT Club)/OTIM subject to verification of the original

invoice from TT Club/OTIM and No Objection Certificate (NOC) from the General Insurance Corporation, in original.

Remittance of Break-Bulk Agents Remunerations on Consolidation of Outward Sea/Air Cargo

8B.5 (i) Freight forwarders undertaking consolidation of out-bound cargo need services of break-bulk agents abroad. Sea cargo forwarders and IATA recognised Air cargo agents may

approach a designated branch of an authorised dealer for remitting remuneration to break-bulk agents giving full particulars of the arrangements in form [BBX 1](#) togetherwith a copy of the relative agency agreement. Authorised dealers may allow the remittance of remunerations to break-bulk agents on outward cargo on the basis of a Chartered Accountant's certificate to the effect that the amount of remittance applied for has been verified with reference to break-bulk agent's debit notes/invoices, copy of Master Air-Way Bill (MAWB)/Master Bill of Lading (MBL) and original relative House Air-Way Bill (HAWB)/House Bill of Lading (HBL), as the case may be. Before allowing the remittance authorised dealers may also obtain undertaking/certificate regarding payment of Income-tax ([cf. paragraph 3B.10](#)) and a statement in form [BBX2](#).

NOTE : *Application from Air Cargo Consolidators not recognised by IATA should be referred to Reserve Bank.*

(ii) Air/Sea cargo agents are also permitted to pay freight to airlines/shipping companies

in rupees in respect of exports made on FOB basis and recover the freight amount from the overseas consignee through their break-bulk agent abroad provided they undertake to repatriate the same to India through normal banking channels within a period of 30 days in case of Air Cargo and 90 days in case of Sea Cargo from the date of shipment.

(iii) Authorised dealer may call for Chartered Accountant's Certificate in [form CAS](#) to

determine outstanding receivables. In cases where the receivables from an overseas agent outstanding for more than 6 months exceed U.S. \$ 2500 no remittance should be allowed without prior approval of Reserve Bank.

(iv) Authorised dealers should maintain systematic record of the remittances allowed

together with documents called for which should be made available to their internal auditors/Reserve Bank officials as and when called for.

Remittance of Freight Prepaid on Inward Consolidation of Cargo by Air/Sea

8B.6 (i) While normally freight on goods imported as consolidated air/sea cargo is prepaid by overseas suppliers, in some cases overseas consolidators advance the freight abroad

to the airline/shipping company on behalf of the Indian importer and the break-bulk agent in India is required to collect freight amount from the Indian importer and remit the same to the overseas consolidator. In such cases, Indian agents of overseas cargo consolidators desirous of making remittance are required to submit their agency agreements to a designated branch of an authorised dealer. The designated branch may allow the remittance on the basis of the agreement and statement in form [BBJ](#) giving full details of inward shipments on 'charges to collect' basis and a Chartered Accountant's certificate to the effect that the amount of remittance applied for has been verified with reference to copy of prepaid Master Air-Way Bill (MAWB)/Master Bill of Lading (MBL) together with the original relative House Air-Way Bill (HAWB)/House Bill of Lading (HBL) as also cargo manifests and invoices from overseas consolidators and has been found correct. Declaration from importers in form [DIC](#) regarding payment of freight on import may also be called for.

(ii) Authorised dealers may call for Chartered Accountant's certificate in [form CAS](#) to

determine outstanding receivables. In cases where the receivables from the same overseas consolidators outstanding for more than 6 months exceed US \$ 2500 no remittance should be allowed without prior approval of Reserve Bank.

(iii) Authorised dealers should maintain systematic record of the remittances allowed

together with documents called for and should be made available to their internal auditors/Reserve Bank officials as

and when called for.

**Remittances towards cost of Euro Rail etc. passes/tickets,
Overseas hotel reservations, etc. for Indian travellers**

- 8B.7** (i) Agents in India appointed by reputed overseas transport organisations for selling their passes/tickets for rail/road/water transportation abroad to persons resident in

India undertaking visits to foreign countries, against payment in foreign exchange or in rupees, should apply to an authorised dealer for remittance of total cost thereof, net of commission payable to the Indian agent, to the overseas principal(s). The application should contain, inter alia, details such as name and address of the overseas transport organisation, country(ies)/ areas covered, types of passes/tickets sold, rate of commission receivable etc. duly accompanied by a copy of the agency agreement(s) indicating the aforesaid particulars. Agents in India should designate a branch of an authorised dealer with which the collection of cost of passes/tickets sold against payment in rupee/foreign currency will be deposited and through which remittances of net amount i.e. amount collected less commission/mark up would be made to the foreign principal. The designated branch of authorised dealer may allow the remittance, subject to the compliance with the Guidelines given in [Annexure IV](#).

- (ii) Agents in India who have made tie up arrangements with overseas hotels/agents etc.

for providing hotel accommodation to travellers undertaking visits from India should apply to the authorised dealer giving full details of the arrangements supported by a copy of the relevant agreement. Authorised dealer may allow the remittance of the actual cost of the hotel accommodation provided it is paid out of the foreign exchange drawn for visits abroad and subject to the compliance with the Guidelines in [Annexure IV](#). In case such agents desire to open foreign currency account for depositing collections made in foreign exchange, these agents will be permitted by Reserve Bank on application to collect payments in foreign currency from the travellers and deposit the same in foreign currency accounts opened with the designated branches of authorised dealers i.e. their bankers in India and remit the amounts so collected to their principals after deduction of their commission/mark up. Application for opening of foreign currency account for the purpose may be made by such agents to the Reserve Bank with full particulars.

**Remittances on account of Consolidated Tour Arrangements
for Foreign Tourists Visiting Neighbouring Countries**

- 8B.8** (i) Travel agents are not permitted to incur any expenditure in India on behalf of foreign

tourists arriving in India through their agency unless they have received advance remittance or have made arrangements to obtain reimbursement through an authorised dealer in an approved manner. In respect of consolidated tours arranged by travel agents for foreign tourists visiting India and neighbouring countries like Nepal, Bangladesh, Sri Lanka, etc. part of the foreign exchange received in India against such consolidated tour arrangements will have to be remitted from India to those countries for services rendered by travel agents and hoteliers in the neighbouring countries. Travel agents may apply to authorised dealers for such remittances on [form A2](#) together with a statement in form [CTA](#) duly supported by documents mentioned therein. Authorised dealers should verify the following:

- (a) Supporting debit notes/bills/invoices (in original) from the hotel/travel agent in the foreign

country and the bank certificates relate to the same tourist group or family to which the statement relates.

- (b) The neighbouring countries' share of tourism earnings appears prima facie reasonable on the basis of the duration of stay in the respective countries.
 - (c) Amount repatriated is supported by bank certificates (in original) confirming the receipt of foreign exchange in an approved manner (If the currency of remittance was rupees, the rupees should not have been derived from the non-convertible source).
 - (d) If the full amount of the tour price has not been repatriated,
 - (1) reasons therefor have been furnished and the undertaking on the form for repatriation of the balance has been completed;
 - (2) at least 90 per cent of the tour price has been repatriated;
- and
- (3) amount to be remitted to the neighbouring country (inclusive of remittances, if any, already made against the tour) does not exceed the amount actually repatriated to India.

- (e) **Country of residence of beneficiary is not Pakistan.**

If the application for remittance satisfies the above requirements, authorised dealer may make the remittance and report it to Reserve Bank under the relative R Return, enclosing a copy of form [CTA](#) (after countersigning it) with the covering [form A2](#). The supporting bank certificates should be retained by authorised dealer after noting therein the remittance made for future reference in case of need.

(ii) In all cases where the undertaking to repatriate the balance amount of tour price has been completed by the travel agent, authorised dealers should watch the submission of further bank certificates for the outstanding amount within the time limit of three months. If any part of the balance amount cannot be repatriated due to reduction in tour price, disputes, etc. authorised dealer should verify appropriate documentary evidence such as correspondence between travel agent and the overseas tour operator, final settlement of account, etc. and satisfy himself that the tour account stood closed and no further amount was due to be repatriated.

(iii) Authorised dealers should promptly bring to the notice of Reserve Bank any cases

where travel agents have not repatriated outstanding balances even after the expiry of the period of three months.

NOTE: *Authorised dealers should permit remittances in terms of this paragraph only if the bank certificates show that the foreign exchange has been realised in India; in other words, in cases where the tour price has been settled by overseas tour operators by **means of drafts drawn on banks outside India**, the instruments should have been collected and proceeds realised before remittances to neighbouring countries can be permitted. As an exception to this rule, authorised dealers may permit remittances to **Nepal** even in advance of their realisation, provided the drawers/drawees of the drafts are **well known banks** and the drafts have been sent for collection through the medium of the same authorised dealers. The remittance to Nepal in such cases should be made by draft/mail transfer/TT drawn in favour of the **Nepal Rastra Bank** for account of the beneficiary. If in any case after remittance of the dues to Nepal, the payment on the draft is not realised, it should be reported promptly to Reserve Bank.*

(iv) Applications not satisfying the requirements laid down in above paragraph

(illustratively, cases where tour price has been settled through MCOs issued by airline companies, both Indian and foreign, and cases where less than 90 per cent of the price has been realised) as also all remittances to Pakistan will require specific approval of Reserve Bank.

Operating expenses of Indian Airline/Shipping Companies

8B.9 Indian Airline/shipping companies which are incorporated in and/or whose seat of control is in India may apply to authorised dealers for remittances towards operating expenses etc. in

case balances in their foreign currency accounts are not sufficient to meet these expenses. Authorised dealer may allow remittance on the basis of invoices/debit notes received from overseas agents and in case of bunkers suppliers' invoice accompanied by master's confirmation for the bunkers supplied to the vessel. The invoice should contain full details i.e. Name of the Vessel/Aircraft, Voyage No. etc. Authorised dealers may ensure that balances in the foreign currency account are not sufficient to meet the expenditure and also that the shipping companies hold requisite authorisation from the Director General of Shipping for the particular voyage of the vessel or for its operations on foreign voyage in general. In case of application for remittance of Income-tax a demand note from the concerned Income-tax authorities may be called for.

Remittances towards Dry-docking, Repairs to Ships, Survey fees and Purchases of Spares

8B.10 (i) Indian shipping companies are allowed to meet the expenditure of dry-docking, repairs to ships, payment of survey fees as also purchase of spares abroad from their foreign

currency accounts permitted to be maintained by Reserve Bank [[See paragraph 12.5\(i\)](#)] or remit them from India through authorised dealers. Authorised dealers may allow remittances towards the aforesaid expenditure if application is submitted by the company on [form A2](#) together with the documentary evidence such as invoice/bills etc. in support of the expenses incurred/to be incurred.

(ii) Application for remittance from India for other purposes such as solicitors fees or

average adjustor's fees may be allowed by authorised dealers subject to the conditions mentioned in [item V](#) of Part B of Annexure I.

Remuneration to Agents Abroad appointed by Indian Airline/Shipping Companies

8B.11 Indian airline/shipping companies are permitted to appoint agents at various overseas ports for looking after their interests and make payment of remuneration/commission and other charges

actually incurred out of their freight/passage collections or out of balances held in their foreign currency accounts maintained abroad with the approval of Reserve Bank [[cf. paragraph 12.1](#)] provided the commission payable conform to the international trade practices/IATA regulations subject to a maximum of 5% of the freight collections abroad in the case of shipping companies and 15% of the passage/freight collections abroad in the case of airline companies made by the foreign agents on behalf of Indian principals. In case the freight/passage collections or balances in foreign currency at a particular place are insufficient, applications for remittance may be made by Indian airline/shipping companies to their bankers (authorised dealers), supported by documentary evidence. The authorised dealer may, on application, and subject to verification of the terms of the agency agreements entered into between the Indian airline/shipping company and its overseas agent and documentary evidence such as debit notes, details of passage fare/freight collected etc. allow the remittance of remuneration/commission to the overseas agents of Indian airline/shipping companies within the above ceilings. Copies of the documentary evidence verified should be submitted to Reserve Bank alongwith the relative [form A2](#) while reporting the transaction in the R Returns for the relevant period.

Remittance of Charter Hire in respect of Foreign Ships/Aircrafts on Voyage Charter basis

8B.12 (i) Authorised dealers may allow remittance of freight in respect of foreign ships engaged by Indian exporters/importers on `voyage charter basis' on the strength of charter party

agreement, approval from Director General of Shipping [from TRANSCHART (Chartering Wing of Ministry of Surface Transport) in respect of public sector undertakings], invoices from shipowners/agents and undertaking/certificate regarding payment of Income-tax ([cf. paragraph 3B.10](#)). In case of import, Bill of Entry/Custom Certified invoices and in case of exports, on Board Bill of Lading may be called for.

NOTE : *Authorised dealers should ensure that the vessel was engaged within the `laycan' time indicated, if any, in the DGS/TRANSCHART approvals.*

(ii) Applications if any received for advance payment i.e. before sailing of vessel in

respect of export cargo and before arrival of vessel at Indian Port in respect of import cargo should be referred to Reserve Bank for prior approval in cases where the amount of remittance exceeds U.S.\$ 15000/-.

(iii) Applications for remittance of demurrage charges on account of delay in

loading/discharge of the cargo or non-availability of berth may be allowed by authorised dealers with reference to sale/purchase contract, charter party agreement showing rates of demurrage agreed to, duly approved by DGS/TRANSHART. Authorised dealers may also call for survey report, worksheet for demurrage calculation, invoice from ship owners and also a certificate from port authority if the delay was on account of non-availability of berth.

(iv) Remittances in respect of charter hire of aircrafts (ad hoc flights) may be permitted

by the authorised dealer at the centre at which the registered/Head Office of the charterer is situated on submission of an application for remittance in [form A2](#) accompanied by invoice, copy of agreement/contract and after verifying the approval (i.e. YA signals) obtained from the Director General of Civil Aviation (DGCA) in original for such ad hoc flights and documentary evidence from Airport Authority to show the actual flight operation. The undertaking/certificate regarding payment of income-tax ([cf. paragraph 3 B.10](#)) should also be obtained before allowing the remittance. It should be ensured that the remittances are made by the charterers to the owners and not through any other airline, etc. in India.

(v) Authorised dealers should maintain systematic record of the remittances allowed

together with documents verified for verification by their internal auditors/Reserve Bank officials whichever is earlier.

NOTE : *In case of import cargo on FOB/FAS terms and remittance being made to the shipowner belonging to the country having Double Taxation Avoidance Agreement with Government of India, annual No Objection Certificate valid as on the date of remittance may be accepted.*

Remittance of Charter Hire in respect of foreign ships chartered on Time Charter basis

8B.13 (i) Firms/companies desirous of engaging foreign flag vessels on 'time charter basis'

should approach the office of Reserve Bank under whose jurisdiction their Head office/registered office is situated for approval of the arrangement through their bankers along with the following documents.

a) Purpose of engaging the vessel with details of estimated expenses, earnings, etc.

- b) Approval in original (with a copy thereof) granted by DGS or TRANSCHART [i.e. Chartering Wing of Ministry of Surface Transport in respect of Public Sector Undertakings (PSUs)] for engagement of the vessel.
- c) Charter party agreement in original with a copy thereof.
- d) Delivery certificate in original with a copy thereof, and
- e) Survey report for bunkers on board the vessel for bunker adjustment, if any.

After obtaining the approval of Reserve Bank, the authorised dealer concerned may allow the remittance of the instalments of charter hire on submission of (a) [Form A2](#) in duplicate, (b) copy of the charter party agreement, (c) the invoice from the ship owner duly certified for payment by the charterer as per charter party agreement and (d) undertaking/accountant's certificate for payment of income-tax.

Remittances of last such instalment wherein the adjustments towards bunkers, other eligible dues, if any, are involved, will be allowed by the authorised dealer on production of redelivery certificate supported by survey report, final accounts etc. by the charterer with details of adjustment(s).

(ii) The details of charter hire remitted, freight earned and the expenses incurred on the vessel should be incorporated by the Indian Shipping Company engaging the vessel on time charter basis in the Statement [SPG 4](#) which should be submitted to Reserve Bank through the authorised dealer through whom the remittance of charter hire is made.

(iii) Sometimes Indian exporters/importers may engage foreign flag vessels on 'time charter basis' for one time export/import of the goods. In such cases, authorised dealers may allow remittance of the charter hire after obtaining the following documents and scrutiny thereof in accordance with the terms of charter party agreement.

- a) Approval in original, with a copy thereof, obtained from the Director General of Shipping or from TRANSCHART (i.e. chartering wing of Ministry of Surface Transport in respect of Public Sector Undertakings).

- b) Charter party agreement in original duly signed by both the owner of the vessel and charterer with a copy thereof.
- c) Freight Invoice.
- d) Non-negotiable copy of Bill of Lading.
- e) Undertaking/Accountant's certificate regarding payment of Income-tax ([cf.paragraph 3B.10](#)).
- f) Delivery certificate with survey report for bunker.

The delivery of the vessel concerned should be in conformity with the approval granted by DGS/TRANSCHART.

(iv) The remittance of bunker charges and other cargo related expenses at foreign ports in respect of the vessel engaged on time charter basis may be allowed in accordance with the provisions of [paragraph 8B.9](#) by the authorised dealer through whom the remittance of charter hire of the vessel is made. Other expenses such as normal wages of crew and expenses for spare parts, insurance (other than cargo insurance) which are required to be borne by the owner of the vessel shall not be allowed by the authorised dealer unless there is a specific clause in the Charter Party Agreement for deduction of such payments from the charter hire.

NOTE: *Applications in respect of aircraft chartered on 'time charter' basis should be referred to Reserve Bank.*

Remittance of Demurrage

- 8B.14** (i) Application for remittance of demurrage including demurrage in respect of FOB Exports and CIF/C&F imports may be allowed by authorised dealers subject to submission of the following documents :
- a) Sale contract
 - b) Charter Party Agreement (to be insisted upon only in the cases when in the sale/purchase agreement there is a specific reference to Charter Party Agreement)

- c) Notice of readiness
- d) Lay time statement/statement of facts or
- e) Survey report
- f) Work sheet for demurrage calculation
- g) Copy of Bill of Lading
- h) Certified copy of bill of entry (in respect of imports)
- i) Undertaking/certificate in respect of payment of Income-tax ([cf. paragraph 3B.10](#)).

(ii) In case of application or remittance of demurrage in respect of contracts on terms

other than CIF exports or FOB/FAS imports by Central/State Governments, Government and Public Sector Undertakings and autonomous bodies, a No Objection Certificate from TRANSCART (chartering wing of Ministry of Surface Transport) should be insisted upon before allowing any remittance.

Remittance of Freight in respect of vessels chartered by Public Sector Undertakings (PSUs)

8B.15 (i) PSUs desirous of remitting approved percentage of freight in respect of voyage charter of vessels chartered by them on the basis of Fixture Note issued by TRANSCART

(chartering wing of Ministry of Surface Transport) pending submission of documents as per [paragraph 8B.12](#) may approach their bankers with the original Fixture Note issued by TRANSCART.

The authorised dealer may, after verifying original Fixture Note issued by TRANSCART, allow remittance to the extent of percentage of freight indicated therein. The balance amount of freight including claims towards demurrage, if any, may be allowed by the same authorised dealer after obtaining and scrutinising the documents listed in [paragraph 8B.12\(i\) and 8B.12\(iii\)](#). The authorised dealer concerned should ensure that the application for the balance amount of freight along with the required documents are submitted to him within a period of forty five days from the date of making remittance of approved percentage of freight. Non-submission of the

application/documents within stipulated period should immediately be brought to the notice of the concerned Regional Office of Reserve Bank.

(ii) A proper record of the remittance allowed and the documents verified should be kept by the authorised dealer for verification by their internal auditors/Reserve Bank officials.

Remittances towards Purchase of Ships/Aircraft by Indian Airline/Shipping Companies

8B.16 (i) Purchase of ships/aircraft by Indian shipping/airline companies requires approval of

Ministry of Surface Transport/Ministry of Civil Aviation, Government of India. Shipping/airline companies wishing to acquire ships/aircraft should, therefore, approach Government of India for permission. Purchase of ships/aircraft will generally require remittances towards advance/down payments, obtaining of foreign currency loans, issue of guarantees, etc. Applications for these purposes should be submitted to Reserve Bank by the shipping/airline company through an authorised dealer together with a certified copy of letter of approval issued by Government for acquisition of the ship/aircraft, certified copy of the contract, and other supporting documents.

(ii) In cases where purchase of ships/aircraft is to be made out of a foreign currency loan/credit, a certified copy of the foreign currency loan/credit agreement should also be forwarded indicating whether repayment of the loan/credit will be made out of surplus passage, freight collections or earnings retained abroad or by remittances made from India. In approved cases, Reserve Bank will permit the authorised dealer to issue bank guarantee and to effect remittances towards repayment of the loan, interest etc. where necessary. Reserve Bank will also allot a registration number to each foreign currency loan/suppliers' credit approved and advise it to the shipping/airline company while conveying its approval to the proposal. The registration number should invariably be quoted in all correspondence with the Reserve Bank regarding the loan/credit. The registration number should also be cited on [form A2](#) covering remittances made or rupee transfers effected under the loan/credit arrangement. The procedure with regard to drawal, utilisation and repayment of loan/credit shall be the same as described in [paragraphs 7 B.6](#) and [7 B.7](#). Authorised dealers and borrowers should ensure strict compliance with these provisions.

(iii) The import of aircraft, helicopters, ships and containers on financial lease basis will also be governed by the provisions contained in sub-paragraphs (i) and (ii) above.

Remittances to Foreign Courier Companies

8B.17 (i) Indian Courier Companies/firms enter into tie-up arrangements with their overseas counterparts for providing mutual assistance for delivery of parcels/documents.

Courier companies may apply for No Objection to the tie-up to Regional Office of Reserve Bank through a designated branch of an authorised dealer with full details of the arrangement. Reserve Bank will authorise the

designated branches of authorised dealers to allow remittances towards services/handling etc. charges. The designated branches of authorised dealers may allow the remittances for these services after obtaining duly filled in statement in [form RCC](#) together with a certificate from Chartered Accountant/Auditor that the amount applied for remittance has been checked with reference to invoices received from overseas company and invoices raised by the Indian company and applicable rates and the amount applied for remittance has been found correct. Authorised dealers may also obtain undertaking/certificate regarding payment of income-tax ([cf. paragraph 3B.10](#)).

(ii) Authorised dealers may call for Chartered Accountant's certificate giving details of

all receivables from overseas counterparts. In cases where the receivables from the same overseas counterparty outstanding for more than 6 months exceed U.S.\$ 2500 no remittance should be allowed without prior approval of Reserve Bank.

Submission of statements by Indian Shipping Companies

8B.18 Head Offices of Indian shipping companies operating ocean-going vessels should, in addition to the statement in [form SPM 3](#) [see [paragraph 24](#) of the Guidelines (Annexure III)], submit to Reserve Bank the following statements (in duplicate).

	Description	Periodicity	Form
1.	Statement of earnings and disbursements at foreign and Indian ports and net repatriation to India	Quarterly	SPG 1
2.	Operations on foreign currency account/s maintained with overseas banks	Quarterly	SPG 2
3.	Charter hire earnings and disbursements of company's vessels on Time/Voyage Charters	Quarterly	SPG 3
4.	Foreign exchange receipts and expenditure on foreign vessels chartered	Quarterly	SPG 4

PART C - OTHER REMITTANCES

Sundry Remittances

8C.1 Authorised dealers may allow remittances for various purposes indicated in [Annexure I \(Part B\)](#) subject to guidelines laid down therein. Applications not covered by the Annexure should be referred to Reserve Bank.

NOTE: *Authorised dealers should note that remittances can be made only on behalf of individuals, firms and companies actually availing of services. In cases where the remitter is a collection agent*

remitting collections from various parties towards examination fees, club membership fees etc., such remittances will require approval of Reserve Bank.

Advertisements abroad or on Internet

8C.2 (i) Reserve Bank may consider requests from Indian agents of overseas TV media

to collect advertisements from Indian exporters, who are having export earnings of not

less than Rs.10 lakhs during each of the preceding two years, for transmission on overseas TV media subject to fulfilment of certain conditions. The eligible exporters should submit their requests for release of exchange in [form ADV](#) to Reserve Bank through such approved agents. (See note under [paragraph 6E.1](#) for regulations applicable to exporters maintaining EEFC accounts).

(ii) Remittances towards advertisements in print media abroad or on Internet may

be allowed by authorised dealers subject to limits and conditions stipulated in [item IX](#) (Part B) of Annexure I.

(iii) Authorised dealers may allow remittances of net rupee collections made by Indian agents of foreign newspapers/periodicals or Internet companies representing charges for advertisements in overseas **print** media, after deduction of income tax, commission and other charges, if any, due to the applicants. to the overseas companies subject to submission of following documents:

- a) Form A2 together with clipping/text of the advertisement.
- b) Invoice/bill from the overseas publisher/Internet company, indicating the total charges, amount of commission etc. due to the applicant and the net remittable amount (A copy of the agency agreement or any other documentary evidence in support of commission payable to the applicant should also be enclosed to the application).
- c) A statement indicating how **net** remittable amount has been arrived at, duly certified by a Chartered Accountant.
- d) A certificate/undertaking regarding compliance with Income Tax provisions (cf. paragraph 3B.10).
- e) An approval letter from the Ministry of Finance, Department of Economic Affairs, Government of India, New Delhi in case the advertisement is released by Central/State Government Departments/Undertakings.
- f) In case of advertisement for public issue of equity shares of Indian companies, a declaration from the competent authority of the concerned company to the effect that the total expenditure in foreign exchange on conference, advertisements, publicity abroad is within 1% of the total value of the equity shares (including premium amount, if any) allotted to FIIs/OCBs/NRIs against payment in foreign exchange.
- g) A declaration from the applicant that he has not applied for remittance of these collections to any other authorised dealer.

NOTE: A. *Authorised dealers may allow remittance in advance subject to the provisions of paragraph 8C.10 towards cost of advertisement in print media or on Internet, out of EEFC account of the advertiser concerned provided the overseas agency insists advance remittance and an undertaking has been obtained from the applicant that he would submit documentary evidence in support of publication of advertisement within 3 months from the date of remittance. Authorised dealers should follow up submission of documentary evidence with the remitter.*

B. *The instructions contained in paragraph 8C.2(iii) are **not** applicable for remittance of charges for advertisements over foreign television media.*

Remittance of magazine subscription by recognised agents

8C.2A Authorised dealers may allow remittance of net rupee collections made by Indian agents towards subscription to foreign magazines/periodicals to overseas publishers/distributors after deduction of commission, handling charges, etc. due to the Indian agent (i.e. applicant) subject to the following conditions:

- (a) None of the magazines subscribed should be on the banned list.
- (b) Remittances of net amount of subscription after deduction of commission/discount, handling charges due to the collection agent in India (i.e. applicant) is made direct to the overseas publishers/distributors of the magazines/periodicals against their invoices/price lists.
- (c) A statement showing how the remittable amount has been arrived at net of commission, handling charges, etc. together with documentary evidence (viz. invoices from overseas publishers/price lists, agreements between the publishers and Indian agents, etc.)
- (d) Authorised dealers should satisfy themselves that subscription amounts from overseas subscribers (including subscribers from Nepal/Bhutan) have been received in foreign exchange.
- (e) A declaration from the applicant that he has not remitted the cost of the magazines/periodicals separately through any other authorised dealer.

Remittances towards Legacies, Bequests or Inheritances

8C.3 Applications for remittances on account of legacies, bequests or inheritances to beneficiaries resident outside India should be submitted to Reserve Bank in [form LEG](#).

Payment of Freight in Foreign Currency by Indian Exporters/Importers to Airline/ Shipping Companies or their Agents in India

8C.4 Indian exporters/importers are permitted to make payment of freight in respect of

exports/imports from/into India in foreign currency to airline/shipping companies operating in India. Authorised dealers may sell foreign exchange to Indian exporters/importers on verification of the relative Airway Bill/Bill of Lading. Such sales should be reported to Reserve Bank on [form A2](#) together with copies of the relative Airway Bill/Bill of Lading.

Bids in Foreign Currency for Projects to be executed in India

8C.5 (i) In terms of the guidelines issued by the Government of India, where the Central

Government has authorised bidding procedures enabling Indian as well as foreign companies/entities to bid for the supply of goods and services, Indian bidders have been permitted to bid in any currency and receive amounts in such currencies as in the case of foreign bidders. In cases where such bids providing for payment in foreign currency are accepted from Indian bidders, it will be necessary for the Indian agency inviting the bid to make payment in foreign currency to the Indian bidders as also the Indian bidder to receive payment in foreign currency from the Indian agency. Reserve Bank has accordingly granted general permission vide its [Notification No.FERA.125/93-RB](#) dated 15th January 1993, issued under Section 8(1) of FERA 1973, to persons resident in India to incur liability in foreign exchange and to make or to receive payments in foreign exchange in respect of global bids where the Central Government has authorised bidding procedure enabling Indian as well as foreign companies/entities to bid for the supply of goods and services for projects to be executed in India. To enable the concerned Indian companies to meet their financial obligations in foreign currencies in such cases, authorised dealers may sell foreign exchange to the concerned resident Indian company which has awarded the contract on verification of the Government authorisation and terms of the contract. The Indian bidder will also be entitled to receive payments in foreign currency in such cases which should be surrendered to an authorised dealer in foreign exchange in terms of [paragraph 3A.4](#) of ECM. Authorised dealers may also treat such foreign currency receipts by the Indian bidders on

par with remittances received from abroad and extend the facility of crediting the foreign currency receipts to their EEFC account in accordance with the instructions laid down in [Part D](#) of Chapter 14 of ECM.

- (ii) The following will constitute Government authorisation for the purpose:
 - (a) Where foreign companies are permitted to bid for a project under a financing arrangement with a multilateral or bilateral institution and a certification to that effect has been given by the Indian agency or entity.
 - (b) Where a bid is certified by an Administrative Ministry of the Government of India as one in which foreign companies/entities are permitted to bid as per guidelines specifically approved by the Department of Economic Affairs of the Ministry of Finance.
 - (c) Where a certificate is issued by ONGC, OIL and GAIL in the case of global tenders floated by them in accordance with the guidelines issued by the Empowered Committee of Indigenisation of Oil fields equipment and services.
 - (d) In all other cases, where specific authorisation has been issued by the Department of Economic Affairs of the Ministry of Finance.
- (iii) All foreign currency sales as stated in paragraph (i) above should be reported to

Reserve Bank on [form A2](#), together with the copy of the Government authorisation.

Supply of Goods by one 100% EOU/EPZ Unit to another 100% EOU/EPZ Unit against payment in foreign exchange

8C.6 100% EOUs and units in EPZs have been permitted to sell goods manufactured by

them to other 100% EOUs/EPZs units against payment in foreign exchange provided such goods are required as input by buyer EOU/EPZ unit for its export production and both the buyer and supplier units comply with the relevant provisions of Exim Policy in force and the prescribed value addition criteria. Authorised dealers may sell foreign exchange to buyer units on receipt of application on [form A2](#) containing details of the payments such as name, address of the EOU/EPZ beneficiary, cost of goods duly supported by documentary evidence such as invoice/bill etc. Such sales should be reported to Reserve Bank on [form A2](#) in appropriate R Return together with copies of the relative invoice/bill and other required details.

NOTE: *The above provisions will also apply, mutatis mutandis, to supply of computer services and hardware by one unit in Software Technology Park (STP)/ Electronic Hardware Technology Park (EHTP) to another unit in STP/EHTP against payment in foreign exchange.*

Sale of Overseas Telephone Cards

8C.7 Agents in India enter into arrangements with reputed overseas organisations for selling

latter's pre-paid telephone cards against payment in Indian rupees or in foreign exchange drawn for business etc. visits abroad including travel under the Basic Travel Quota except for employment and on emigration. These cards are sold to the Indian travellers. Authorised dealers may allow the agents to remit the cost of such telephone cards to the overseas principals, after deducting commission. The application should be made by the Indian agent along with a statement showing the details such as the name and address of the overseas organisation, cost of each card, country/ies where the card can be used, rate of agency commission/mark-up receivable by the agent, name/address

and passport number of each Indian traveller, accompanied by a certified copy of the agency agreement(s). An agent in India should also designate the branch of an authorised dealer with which the collections will be deposited and through which the remittance will be made to foreign principal/s. The designated branch of authorised dealer on satisfying that the application is in order with reference to the particulars furnished, allow the remittance net of commission of Indian agent subject to the compliance with the Guidelines in [Annexure IV](#). No advance payment towards pre-paid telephone cards should be made to the overseas principal.

Commission to Overseas Agents on securing Advertisements for Indian newspapers/ periodicals, etc.

8C.8 (i) Indian newspapers, periodicals etc. are permitted to enter into agreements with their

overseas agents through whom advertisements are secured, for payment of commission

and other charges actually incurred towards postage, telephone, etc. provided the total amount does not exceed 30% of the gross tariff earned in foreign exchange for such advertisements. Authorised dealers may allow remittances of commission and reimbursement of other charges to the overseas agents of Indian newspapers etc. provided the net amount does not exceed 30% of the gross tariff earned by them in foreign exchange for advertisement in India subject to verification of the relative agreements entered into with their overseas agents, bank certificates of realisation of advertising charges and obtaining an undertaking/certificate regarding payment of Income-tax (cf. [paragraph 3B.10](#))

(ii) Sometimes, the Indian newspapers etc. may enter into agreements with their

overseas agents providing for deduction of the amount of commission and other charges as stated above from the gross amount of the bills raised for tariff in foreign exchange. It will be necessary for the Indian newspapers etc. to ensure that the total deductions do not exceed 30% of tariff amount earned and atleast 70% is repatriated to India through normal banking channel and the tax liability of the non-resident is met by the Indian company concerned.

Supply of goods by 100% Export Oriented Units (EOUs)/Units in Export Processing Zones (EPZs), Electronic Hardware Technology Parks (EHTPs) and Software Technology Parks (STPs) to units in Domestic Tariff Area (DTA) against payment in foreign exchange

8C.9 In terms of paragraph 9.10(b) of Chapter 9 of Export and Import Policy (1997-2002)

supplies made in Domestic Tariff Area (DTA) by EOUs and units in EPZs, EHTPs and STPs against payment in foreign exchange shall be counted towards fulfilment of the export obligation. Accordingly, concerned authorities may permit EOUs, units in EPZs, EHTPs and STPs to sell goods to buyers in DTA against payment in foreign exchange. Authorised dealers may allow the buyers in DTA to make payment in foreign exchange in such cases, without the prior approval of Reserve Bank if the payment is sought to be made out of funds held in their (i.e. DTA buyers') Exchange Earners Foreign Currency (EEFC) accounts. Authorised dealers should ensure that the seller EOUs, units in EPZs, EHTPs and STPs have been specifically authorised by the concerned authority to sell their goods in DTA and that the relative provisions of the Export and Import Policy and the terms and conditions of the permission granted by the concerned authority have been fully complied with.

Advance Remittances for Transactions other than Imports

8 C.10 Authorised dealers have been permitted to make advance remittances for import of goods

subject to conditions stipulated in [paragraph 7A.10](#). Advance remittances may similarly be required to be made in

respect of transactions other than imports e.g. engagement of foreign nationals, consultancy services, charges for advertisement in overseas newspapers/periodicals, specialised training in India/abroad, etc. which are either covered under the powers delegated to authorised dealers or which are being remitted by authorised dealers after obtaining approval in principle from Reserve Bank. It will be in order for authorised dealers to allow advance remittances in such cases after verifying the terms of contract and satisfying other conditions stipulated in the relevant paragraphs of the Manual. A guarantee from an overseas bank of international repute should be obtained from the overseas beneficiary, where the amount of remittance exceeds U.S. \$ 15,000 or its equivalent. The authorised dealer concerned should follow up the matter to ensure that the beneficiary of the advance remittance has fulfilled his obligation under the contract/agreement with the remitter in India.