

## **RELEASE OF FOREIGN EXCHANGE FOR IMPORTS - FURTHER LIBERALISATION**

### **A.P. (DIR SERIES 2011-12) CIRCULAR NO. 82, DATED 21-2-2012**

Attention of all the Authorised Dealers (ADs) in foreign exchange is invited to the A.P.(DIR Series) Circular No. 106, dated June 19, 2003 in terms of which applications by persons, firms and companies for making payments, exceeding USD 500 or its equivalent towards imports into India must be made in Form A-1.

**2.** Based on suggestions received from the various stake holders, the said limit has been reviewed and it has been decided as a measure of liberalization to raise the above limit for foreign exchange remittance towards imports without any documentation formalities, from USD 500 or its equivalent to USD 5000 or its equivalent, with immediate effect.

**3.** It is clarified that the ADs need not obtain any document, including Form A-1, except a simple letter from the applicant containing the basic information *viz.*, the name and the address of the applicant, name and address of the beneficiary, amount to be remitted and the purpose of remittance, as long as the exchange being purchased is for a current account transaction (and is not included in the Schedules I and II of the Foreign Exchange Management (Current Account Transactions) Rules, 2000 framed by Government of India *vide* Notification No. G.S.R.381 (E), dated May 3, 2000, as amended from time to time, the amount does not exceed USD 5000 or its equivalent and the payment is made by a cheque drawn on the applicant's bank account or by a Demand Draft.

**4.** Authorised Dealers may bring the contents of this circular to the notice of their constituents and customers concerned.

**5.** The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.