



**RESERVE BANK OF INDIA**  
**Foreign Exchange Department**  
**Central Office**  
**Mumbai - 400 001**

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**RBI/2009-10/ 288**  
**A. P. (DIR Series) Circular No.26**

**January 14, 2010**

To  
All Authorised Dealer Category - I banks

Madam / Sir,

**Remittance of Salary - Relaxation**

Attention of Authorised Dealer Category – I banks is invited to [A. P. \(DIR Series\) Circular No. 17](#) dated September 20, 2003 and sub-regulation 8 of Regulation 7 of [Notification No. FEMA 10/2000-RB](#) dated May 3, 2000 viz. Foreign Exchange Management (Foreign Currency Account by a person resident in India) Regulation, 2000, in terms of which a national of a foreign state resident in India, being an employee of a foreign company or a citizen of India employed by a foreign company outside India, and in either case on deputation to the office/ branch/ subsidiary/ joint venture in India of such foreign company, may open, hold and maintain a foreign currency account with a bank outside India and receive the salary payable to him by credit to such account subject to the conditions mentioned therein, which inter alia, include that the amount to be credited to such account shall not exceed 75 per cent of the salary accrued to or received by such person from the foreign company.

2. The Government of India, has since liberalised the above facility by notifying in the Gazette of India published in part II, Section 3, Sub-section (i) dated November 23, 2009 vide G.S.R. 838 (E) [Notification No. FEMA 199/2009-RB dated September 30, 2009], as indicated below:

(i) A citizen of a foreign state, resident in India, being an employee of a foreign company or a citizen of India, employed by a foreign company outside India and in either case on deputation to the office /branch /subsidiary /joint venture in India of such foreign company may open, hold and maintain a foreign currency account with a bank outside India and receive the whole salary payable to him for the services rendered to the office/branch/subsidiary/joint venture in India of such foreign

company, by credit to such account, provided that income-tax chargeable under the Income-tax Act, 1961 is paid on the entire salary as accrued in India.

(ii) A citizen of a foreign state resident in India being in employment with a company incorporated in India may open, hold and maintain a foreign currency account with a bank outside India and remit the whole salary received in India in Indian Rupees, to such account, for the services rendered to the Indian company, provided that income-tax chargeable under the Income-tax Act, 1961 is paid on the entire salary accrued in India.

3. [A copy of the Notification is annexed.](#)

4. Authorised Dealer Category – I banks 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 Section 10(4) and Section 11(1) of the FEMA 1999 (42 of 1999) and is without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully,

**(D. Mishra)**

**Chief General Manager**