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कर्मचारी भविष्य निधि संगठन  
**Employees' Provident Fund Organization**  
श्रम एवं रोजगार मंत्रालय भारत सरकार ,  
Ministry of Labour And Employment, Government Of India  
मुख्य कार्यालय/ Head Office

भविष्य निधि भवन भीकाजी ,14 ,कामा प्लेस 066 110 - नई दिल्ली ,  
Bhavishya Nidhi Bhawan, 14, Bhikaiji Cama Place, New Delhi - 110 066

NO. IWU/8(2)2009/Banking Agreement

Dated: 20 Oct 2014

To,

The Addl. CPFCs – in – charge of Zones  
The Regional PF Commissioners- in – charge of ROs/SROs

**Sub: Banking Agreement for Payment to the Overseas Bank Accounts of International Workers and their beneficiaries– reg.**

Sir,

Your kind attention is invited to the provisions relating to settlement of claims and disbursement of benefits to overseas bank accounts of International Workers including their beneficiaries. For ready reference the provisions relating to payment of Provident Fund in respect of International Workers are reproduced as under:

*“72. Payment of Provident Fund. – (1) When the amount standing to the credit of a member becomes payable, it shall be the duty of the Commissioner to make prompt payment as provided in the Scheme.*

*(2) The due amount in respect of the member shall be payable in the payees bank account directly or through the employer.*

*(3) In all the other cases, the amount due shall be payable to the credit of payee's bank account in India.*

In view of the aforesaid provisions, the International Workers and their beneficiaries from the SSA countries shall be seeking payment of benefits to their overseas bank account. In order to facilitate such payments, Finance Division, after consultation with various stakeholders including SBI, issued directions vide its letter No. Bkg./1(12)10/IWU/4211 dated 21.05.2014 to RPFC, Delhi (North) to open dedicated Bank Accounts for this purpose. Accordingly, separate Bank Accounts have been opened by the Regional Office, Delhi (North) in SBI Parliament Street, New Delhi as per details given hereunder:

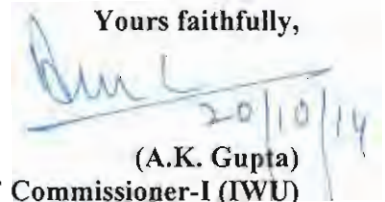
SR NO	ACCOUNT NUMBER	NAME OF ACCOUNT
1	33890977940	EPFO (EPF SCHEME PAYMENT TO FOREIGN NATIONALS)
2	33890981130	EPFO (EPS PAYMENT TO FOREIGN NATIONALS)
3	33890982474	EPFO (EDLI PAYMENT TO FOREIGN NATIONALS)

In order to facilitate payments to the overseas bank accounts of International Workers and their beneficiaries, the following procedure is hereby laid down:

1. The process for claim settlement of International Workers shall remain unchanged. The claimant will mention his foreign bank account details in the claim forms.
2. However the dealing assistants in the field offices, while settling International Workers claims will enter the aforesaid bank account details in the database of claim settlement module of the application software so that the funds can be transferred from their respective link branch to the above mentioned bank accounts in SBI, Parliament Street branch, New Delhi, specifically opened for payments to foreign nationals.
3. The concerned field officials in their respective ROs/SROs will complete the necessary documentation as per the format annexed herewith for onward transmission to Regional Office, Delhi (North) for taking further action so that the payment can be made to the beneficiary in their overseas bank account in foreign currency.
4. A separate control register for such payments shall be maintained in the concerned ROs/SROs.
5. Similarly, a separate control register for such payments shall be maintained in the Regional Office, Delhi (North).
6. The control registers maintained in the concerned ROs/SROs shall be reconciled with the control register in RO, Delhi (North) on monthly basis.
7. An MIS Report by the ROs/SROs as well as RO, Delhi (North) in the format annexed (IW/Payments) herewith shall be submitted to the Head Office each month for the month by 10<sup>th</sup> of the following month.

All concerned may please ensure compliance.

Yours faithfully,

  
20/10/14  
(A.K. Gupta)

Regional PF Commissioner-I (IWU)

Encl : As above

Copy for information and necessary action to:

1. FA & CAO
2. CVO
3. ACC HQ (VNS)/ ACC HQ (RB)
4. All ACCs in HO
5. All RPFCs/APFCs
6. NATRSS
7. PS to CPFC for information
8. DD (OL) for providing Hindi Version

जारी किया  
ISSUED

**Form A2**  
**Application cum Declaration**  
(To be completed by the applicant)

Application for drawal of foreign exchange

- I. Details of the applicant
  - a) Name \_\_\_\_\_
  - b) Address \_\_\_\_\_
  - c) Account No. \_\_\_\_\_ D) PAN No. : \_\_\_\_\_
  - d) Phone No. \_\_\_\_\_ f) Mobile No. : \_\_\_\_\_
- II. Details of the Foreign Exchange.
- III. I authorise you to debit my Savings Bank/Current/REC/EEFC Account No. \_\_\_\_\_ Together with your charges and
  - \*a) Issue a draft : Beneficiary's Name \_\_\_\_\_  
Address \_\_\_\_\_
  - \*b) Effect the foreign exchange remittance directly
    - 1. Beneficiary's Name Address \_\_\_\_\_
    - 2. Name and address of the Bank \_\_\_\_\_
    - 3. Account No. \_\_\_\_\_
    - 4. Swift Code/BAN/BSB/ABA \_\_\_\_\_
  - \*c) Issue travellers cheques for \_\_\_\_\_
  - \*d) Issue foreign currency notes for \_\_\_\_\_
  - \*e) Vishva Yatra Card \_\_\_\_\_

\*(Strike out whichever is not applicable)

Signature \_\_\_\_\_

**DECLARATION**  
**(Under FEMA 1999)**

I, \_\_\_\_\_ declare that :-

- \*1) The total amount of foreign exchange purchased from or remitted through, all sources in India during this calendar year including this application is within USD \_\_\_\_\_ (USD \_\_\_\_\_ only) the annual limit prescribed by Reserve Bank of India for the said purpose.
- \*2) Foreign exchange purchased from you is for the purpose indicated above.

Date : \_\_\_\_\_

Signature \_\_\_\_\_  
Name \_\_\_\_\_

**Certificate to be furnished by Authorised Dealers (Applicant's Banker)**

We hereby certify that

- A. the remittance has been made  
In terms of authority delegated to authorized dealers vide paragraph of the Exchange Control Manual and / or AD Code No. 0000691 / 2900009  
or  
In terms of Reserve Bank of India Permit No. \_\_\_\_\_ dated \_\_\_\_\_
- B. all the Exchange Control regulations applicable to the remittance have been complied with.
- C. documentary evidence in support of the payment has been verified.
- D. payment to the beneficiary has been/will be made through \_\_\_\_\_

(Name and address of the designated bank in ACU member country)

.....  
(Stamp and Signature of Authorised Official)  
Name and designation.....  
Name & Address of Authorised Dealer.....

ated : .....

(Remitter should put a tick (✓) against an appropriate purpose code in case of case of doubt/difficulty, consult ?)

Code	Purpose	Code	Purpose
<b>CAPITAL ACCOUNT TRANSACTIONS</b>		<b>FINANCE SERVICE</b>	
S0001	Indian investment abroad-in equity capital	S0701	Financial intermediation except investment banking-Bank charges collection charges, LC charges, cancellation of forward contracts, commission on financial leasing etc.
S0002	Indian investment abroad-in debt securities	S0702	Investment banking - brokerage, underwriting commission etc.
S0003	Indian investment abroad-in branches	S0703	Auxiliary services - charges on operation & regulatory(ies), custodial services, depository services etc.
S0004	Indian investment abroad-in subsidiaries and associate	<b>COMPUTER AND INFORMATION SERVICES</b>	
S0005	Indian investment abroad-in real estate	S0801	Hardware consultancy
S0006	Repatriation of foreign Direct Investment in India-in-equity Shares	S0802	Software implementation (other than those covered in SOFTEX from)
S0007	Repatriation of foreign Direct Investment in India-in debt Securities	S0803	Data base, data processing charges
S0008	Repatriation of foreign Direct Investment in India-in real estate.	S0804	Repair and maintenance of computer and software
S0009	Repatriation of foreign Direct Investment in India-in equity Shares	S0805	News agency services
S0010	Repatriation of foreign Portfolio Investment in India-in debt securities	S0806	Other information services - Subscription to newspapers, periodicals
S0011	Loans extended Non-Residents	<b>ROYALTIES AND LICENSE FEES</b>	
S0012	Repayment of loan received from Non-Residents(Long & medium terms loans)	S0901	Franchises services - patents, copyrights, trade marks, Industrial processed, franchises etc.
S0013	Repayment of short-term loans received from Non-Residents.	S0902	Payment for use, through licensing arrangements of produced originals or prototypes (such as manuscripts, films etc.)
S0014	Repayment of Non-Resident Deposits (FCNRB/NREA etc.)	<b>OTHER BUSINESS SERVICES</b>	
S0015	Repayment of loans & overdrafts taken by Ads on their own account	S1001	Merchanting services - Sale & purchase of goods without crossing the border
S0016	Sale of a foreign currency against another foreign currency	S1002	Trade related services - commission on exports/imports
S0017	Purchase of intangible assets like patents, copyrights, trade Marks etc.	S1003	Operational leasing services (other than financial leasing) without operating crew, including charter hire
S0018	Other capital payment not included elsewhere.	S1004	Legal services
<b>TRANSACTION</b>		S1005	Accounting, auditing, book keeping and tax consulting services
S0201	Payments for surplus/passenger fare by foreign shipping companies operating in India.	S1006	Business and management consultancy and public opinion relations services
S0202	Payment for operating expenses of India shipping companies operating abroad.	S1007	Advertising, trade fair, market research and public opinion polling services
S0203	Freight on imports - shipping companies	S1008	Research & development services
S0204	Freight on export - shipping companies	S1009	Architectural, engineering and other technical services
S0205	Operating leasing (with crew) - shipping companies	S1010	Agricultural, mining and on-site processing services
S0206	Banking of passages abroad - shipping companies	S1011	Payments for maintenance of offices abroad.
S0207	Payments for surplus freight/passenger fare by foreign Airlines companies operating in India	S1012	Distribution services
S0208	Operating expenses of Indian Airlines companies operating abroad	S1013	Environmental services
S0209	Freight on Imports - Airlines companies	S1019	Other services and included elsewhere
S0210	Freight on Exports - Airlines companies	<b>PERSONAL, CULTURAL AND RECREATIONAL SERVICES</b>	
S0211	Operating leasing (with crew) - Airlines companies	S1101	Services related to production of motion pictures, rentals of actors, directors, producers and fees for distribution rights.
S0212	Booking of passages abroad - Airlines companies	S1102	Services related to museums, libraries, sporting activities & fees for correspondence courses.
S0213	Stevedoring, demurrage, port handling charges etc.	<b>GOVERNMENT NOT INCLUDED ELSEWHERE (G.N.I.E.)</b>	
<b>TRAVEL</b>		S1201	Maintenance of Indian embassies abroad.
S0301	Remittance towards Business travel	S1202	Remittances by foreign embassies
S0302	Travel under basic travel quota (BTQ)	<b>TRANSFERS</b>	
S0303	Travel for pilgrimage	S1301	Remittances by non-residents towards family maintenance and saving
S0304	Travel for medical treatment	S1302	Remittance towards personal gifts and donations
S0305	Travel for education (including, fees, hostel expenses etc.)	S1303	Remittance towards donations to religious and charities institutions abroad.
S0306	Other travel (including international credit cards)	S1304	Remittance towards grants and donations to other governments and charitable institutions established by the governments
<b>COMMUNICATION SERVICES</b>		S1305	Contributions/donations by the Government to international institutions
S0401	Postal services	S1306	Payment / refund of taxes.
S0402	Courier services	<b>INCOME</b>	
S0403	Telecommunication services	S1401	Compensation of employees
S0404	Satellite services	S1402	Interest on Non-Resident deposits
<b>CONSTRUCTION SERVICES</b>		S1403	Interest on (ST/MT/LT loans) loans from Non-Residents
S0501	Construction of projects abroad by Indian companies (including import of goods at Project site)	S1404	Interest on debt securities - debentures, bonds / FRNs
S0502	Projects executed by foreign companies in India	S1405	Interest payment by ADs on their own account
<b>INSURANCE SERVICES</b>		S1406	Repatriation of profits
S0601	Payment for Life insurance premium	S1407	Payment/Repatriation of dividends
S0602	Freight insurance-relating to import of goods	<b>OTHER</b>	
S0603	Other general insurance premium	S1501	Refunds / Rebates / Reduction in invoice value exports
S0604	Reinsurance premium	S1502	Reversal of wrong entries, refund non-exp. receipts
S0605	Auxiliary services (commission on insurance)	S1503	Payments by residents under International bidding
S0606	Settlement of claims	S1504	Outwards remittances below Rs. 500,000/- (for use by ECD regional offices)



### Introduction

5.1 'Remittance of asset' means remittance outside India of funds representing a deposit with a bank or a firm or a company, provident fund balance or superannuation benefits, amount of claim or maturity proceeds of insurance policy, sale proceeds of shares, securities, immovable property or any other asset held in India in accordance with the provisions of the Foreign Exchange Management Act, 1999 or rules and regulations made thereunder. The remittance of assets outside India by a person whether resident in India or not, are subject to the provisions of Foreign Exchange Management (Remittance of Assets) Regulations, 2000. Reserve Bank has notified these regulations by issue of a Notification No. FEMA.13/2000-RB and Notification No. FEMA.21/2000-RB both dated 3rd May 2000 as amended from time to time.

### PART A — REMITTANCE OF ASSETS BY NRI/PIO

#### Remittance out of the balances held in NRO account

5A.1 A Non-Resident Indian (NRI) or a Person of Indian Origin (PIO) may remit an amount upto USD one million, per financial year, out of the balances held in his Non-Resident (Ordinary) Rupee (NRO) account/sale proceeds of assets (inclusive of assets acquired by way of inheritance or settlement), for all bonafide purposes, to the satisfaction of the authorized dealer, on production of an undertaking by the remitter and certificate by a Chartered Accountant in the formats prescribed by the Central Board of Direct Taxes vide their Circular No. 10/2002 dated October 9, 2002. [cf. Annexure 4 to Chapter 4 of this Manual]

#### Remittances of sale proceeds of the immovable property acquired out of Rupee funds - Lock-in-Period removed

5A.2 The existing FEMA regulations permit Non-Resident Indians (NRIs) and Persons of Indian Origin (PIO) to remit up to USD one million per financial year for any bonafide purpose out of the balances in their Non-Resident Ordinary (NRO) accounts. The balance in the NRO accounts may also include the sale proceeds of immovable property acquired by the non-resident out of her/his resources in India, or sale proceeds of property received by way of inheritance or gift.

AD-Category-I banks may furnish, on a quarterly basis, a statement on the number of applicants and total amount remitted, as per Annexure 1, to the Chief General Manager-in-Charge, Foreign Exchange Department, Foreign Investments Division (NRFAD), Reserve Bank of India, Central Office, Mumbai-400001 within 10 days of the reporting quarter.

\* Revised as per A.P.(DIR Series) Circulars/FEMA Notifications/FDI Press Notes issued upto 30th June 2012.

**Remittance of sale proceeds of assets acquired by way of inheritance or legacy or settlement**

**5A.3** In respect of remittance of sale proceeds of assets acquired by way of inheritance or legacy or settlement for which there is no lock-in period, NRI/PIO may submit documentary evidence in support of inheritance or legacy of assets, an undertaking by the remitter and certificate by a Chartered Accountant in the formats prescribed by the Central Board of Direct Taxes *vide* their Circular No. 04/2009 dated 29-6-2009 [cf. Para 4.31 to Chapter 4 of this Manual]

It is clarified that **settlement** is also a mode of inheritance from the parent, the only difference being that the property under the settlement passes to the beneficiary on the death of the owner/parent without any legal procedures/hassles and helps in avoiding delay and inconvenience in applying for probate, etc.

**Restrictions on remittance facility in respect of sale proceeds of immovable property**

**5A.4** (a) The remittance facility in respect of sale proceeds of immovable property is not available to a citizen of Pakistan, Bangladesh, Sri Lanka, China, Afghanistan, Iran, Nepal and Bhutan.

(b) The facility of remittance of sale proceeds of other financial assets is not available to citizen of Pakistan, Bangladesh, Nepal and Bhutan.

**Repatriation of sale proceeds of residential property purchased by NRIs/PIO out of foreign exchange**

**5A.5** There is no lock-in period for sale of residential property purchased by NRI/PIO out of foreign exchange. However, repatriation of sale proceeds of residential property purchased by NRI/PIO out of foreign exchange is restricted to not more than two such properties.

**Repatriation of sale proceeds of immovable property**

**5A.6** In respect of remittance of sale proceeds of assets acquired by way of inheritance or legacy or settlement for which there is no lock-in period, NRI/PIO may submit documentary evidence in support of inheritance or legacy of assets, an undertaking by the remitter and certificate by a Chartered Accountant in the prescribed formats. Settlement is also a mode of inheritance from the parent, the only difference being that the property under the settlement passes to the beneficiary on the death of the owner/parent without any legal procedures/hassles and helps in avoiding delay and inconvenience in applying for probate, etc. Here, it is also clarified that in case settlement is done without retaining any life interest in the property, it would tantamount to regular transfer by way of gift. Therefore, if property is received by NRI/PIO by way of settlement without the settler retaining life interest, it may be reckoned as transfer by way of gift and the remittance of sale proceeds of such property would be guided by the extant instructions on remittance of balance in the NRO account.

**Refund of application/earnest money/purchase consideration**

**5A.7** Authorized dealers may permit repatriation of amounts representing the refund of application/earnest money/purchase consideration made by the house building agencies/seller on account of non-allotment of flat/plot/cancellation of bookings/deals for purchase of residential/commercial property, together with interest, if any, (net of income tax payable thereon), provided the original payment was made out of NRE/FCNR account of the account holder, or remittance from outside India through normal banking channels and the authorized dealer is satisfied about the genuineness of the transaction. Such funds may also be credited to the NRE/FCNR account of the NRIs/PIO, if they so desire.

**Repatriation of sale proceeds of residential accommodation purchased by NRIs/PIO out of funds raised by them by way of loans**

**5A.8** Authorized dealers may allow repatriation of sale proceeds of residential accommodation purchased by NRIs/PIO out of funds raised by them by way of loans from the authorized dealers/housing finance institutions to the extent of such loan/s repaid by them out of foreign inward remittances received through normal banking channel or by debit to their NRE/FCNR accounts.

**Remittance of current income**

5A.9 Remittance of current income like rent, dividend, pension, interest etc. of NRIs/PIO who do not maintain NRO Account is freely allowed, on the basis of appropriate certification by a Chartered Accountant certifying that the amount proposed to be remitted is eligible for remittance and that applicable taxes have been paid/provided for.

NRIs/PIO have the option to credit the current income to their Non-Resident (External) Rupee account, provided the authorized dealer is satisfied that the credit represents current income of the non-resident account holder and income tax thereon has been deducted/provided for.

**Facilities for students**

5A.10 Students going abroad for studies are treated as Non-Resident Indians (NRIs) and are eligible for all the facilities available to NRIs under FEMA.

- (i) As Non-Residents, they will be eligible to receive remittances from India (i) upto USD 100,000 from close relatives in India on self declaration towards maintenance, which could include remittances towards their studies also and
- (ii) upto USD 1 million out of sale proceeds of assets/balances in their account maintained with an Authorised Dealer in India. Restriction in respect of remittance of sale proceeds of immovable property as indicated in para 5A.4 above shall apply.
- (iii) All other facilities available to NRIs under FEMA are equally applicable to the students.
- (iv) Educational and other loans availed of by them as residents in India will continue to be available as per FEMA regulations.

**Repatriation of maturity proceeds of NRE/FCNR (B) account.**

5A.11 AD Category-I banks and authorised banks are permitted to make remittance of the maturity proceeds of FCNR (B) deposits to the third parties outside India, provided the transaction is specifically authorised by the account holder and the authorised dealer is satisfied about the bonafides of the transaction.

**ESOP to NRI Employees**

5A.12 Authorised dealers are permitted to grant Rupee loans to NRIs employees of Indian companies for acquiring shares of the companies under the ESOP Scheme. The loan scheme should be as per the policy approved by the bank's Board and would further be subject to the conditions indicated in AP (DIR Series) Circular No. 7 dated August 22, 2007.

**Income-tax Clearance — Remittances to non-residents — Deduction of tax at source**

5A.13 — Under the extant FEMA regulations, a remitter has to submit an undertaking and the certificate in terms of Central Board of Direct Taxes (CBDT) Circular No. 04/2009 dated 29-6-2009 (Refer Para 4.33 to Chapter 4).

Reserve Bank has now clarified that any person responsible for making payment to a non-resident or to a foreign company, any interest or any other sum chargeable under the IT Act, shall at the time of payment or credit of the amount deduct Income Tax thereon at the rate in force. Section 195 of the IT Act is not limited to interest income and it takes into account business income also. Further, points 7 and 8 of the Chartered Accountant's certificate deals with remittances for supply of articles or things (plant, machinery, equipment, etc.) or computer software and business income, respectively.

Accordingly, a remitter of foreign exchange is required to submit to the authorised dealer, an undertaking and Chartered Accountant's certificate in the format prescribed by CBDT *vide* Circular No. 04/2009 dated 29.6.2009 [Refer Paragraph 4.31 of Chapter 4] at the time of making the remittance in foreign exchange to non-residents including remittances which are in the nature of trade transactions such as import payments.

**PART B — REMITTANCE OF ASSETS BY A FOREIGN NATIONAL  
OF NON-INDIAN ORIGIN AND FOREIGN COMPANIES**

**Retirement from an employment/Inherited assets**

**5B.1** A foreign national of non-Indian origin who has retired from an employment in India or who has inherited assets from a person resident in India or who is a widow of an Indian citizen resident in India may remit an amount not exceeding USD one million, per financial year, on production of documentary evidence in support of acquisition/inheritance of assets, an undertaking by the remitter and certificate by a Chartered Accountant in the formats prescribed by the Central Board of Direct Taxes vide their Circular No. 04/2009 dated 29-6-2009 [cf. Para 4.31 to Chapter 4 of this Manual]. Further that where the remittance is made in more than one instalment, the remittance of all instalments shall be made through the same authorised dealer.

**Remittance of Salary – by a foreign nationals or Indian nationals employed by a Indian company or foreign company in India**

- 5B.2**
- (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 such an Indian company, provided that income-tax chargeable under the Income-tax Act, 1961 is paid on the entire salary occurred in India."

**Remittance to foreign student after completion of his studies**

**5B.3** Foreign student who had come to India for studies/training and has completed his studies/training may remit the balance available in his account, provided such balance represents funds derived out of remittances received from abroad through normal banking channels or rupee proceeds of foreign exchange brought by such person and sold to an authorised dealer or out of stipend/scholarship received from the Government or any Organisation in India.

**General Permission to an Indian entity to remit funds towards Provident-Fund/Superannuation Pension Fund**

**5B.4** An entity in India may remit the amount being its contribution towards the provident fund superannuation/pension fund in respect of the expatriate staff in its employment who are resident in India but not permanently resident therein.

*Explanation.*— For the purpose of this Provision —

- (a) 'expatriate staff' means a person whose provident/superannuation/pension fund is maintained outside India by his principal employer outside India;
- (b) 'not permanently resident' means a person resident in India for employment of a specific duration (irrespective of length thereof) or for a specific job or assignment, the duration of which does not exceed three years.



**Remittances to citizens of Nepal and Bhutan**

5B.5 The remittance facilities indicated at Paragraph 5B.1 above are not available to a citizen of Nepal and Bhutan.

**Restrictions on remittance facilities in respect of sale proceeds of immovable property**

5B.6 The remittance facility in respect of sale proceeds of immovable property is not available to a citizen of Pakistan, Bangladesh, Sri Lanka, China, Afghanistan, Iran, Nepal and Bhutan.

**Prior Permission to make remittance of assets**

5B.7 (1) A person who desires to make a remittance of assets in the following cases, may apply to the Reserve Bank, namely:

- (i) Remittance exceeding "US \$ 1,000,000 (US Dollar one million only) per calendar year on account of legacy, bequest or inheritance to a citizen of foreign state, permanently resident outside India and by a Non-Resident India (NRI)/Person of Indian Origin (PIO), out of the balances held in NRO accounts/sale proceeds of assets/the assets in India acquired by way of inheritance/legacy."
- (ii) remittance to a person resident outside India on the ground that hardship will be caused to such a person if remittance from India is not made;
- (iii) remittance of winding up proceeds of a branch/office in India of a person resident outside India:

Provided that the application is supported by the following documents, namely:

(A) Copy of the Reserve Bank's permission for establishing the branch/office in India;

(B) Auditor's certificate,—

- (i) indicating the manner in which the remittable amount has been arrived and supported by a statement of assets and liabilities of the applicant, and indicating the manner of disposal of assets;
- (ii) confirming that all liabilities in India including arrears of gratuity and other benefits to employees etc. of the branch/office have been either fully met or adequately provided for;
- (iii) confirming that no income accruing from sources outside India (including proceeds of exports) has remained unrepatriated to India;

(C) no-objection or Tax clearance certificate from Income-Tax authority for the remittance; and

(D) confirmation from the applicant that no legal proceedings in any Court in India are pending and there is no legal impediment to the remittance.

- (2) On consideration of the application made under sub-para 1 above, the Reserve Bank may permit the remittance, subject to such terms and conditions as it deem necessary.

**Remittance on winding up of companies**

- 5B.8
1. Under the extant FEMA Regulations no person whether a resident in India or not, shall make remittance of any assets held in India by him or any other person except with the permission of the Reserve Bank. Therefore, as per the existing provisions, remittance of out of the assets of Indian companies under liquidation requires prior approval of the Reserve Bank.
  2. As a measure of simplification of procedure, Reserve Bank has decided to delegate powers to AD Category-I banks to permit remittance out of assets of Indian companies under liquidation under the provisions of the Companies Act, 1956 subject to any order issued by the court winding up the company or the official liquidator or the liquidator in case of voluntary winding up and also subject to tax compliance.

3. Accordingly, AD Category-I banks are now permitted to allow remittance of out of the assets of Indian companies under liquidation under the provisions of the Companies Act, 1956, subject to the following conditions :
- (i) AD Category-I bank shall ensure that the remittance is in compliance with the order issued by a court in India/order issued by the official liquidator or the liquidator in the case of voluntary winding up; and
  - (ii) no remittance shall be allowed unless the applicant submits :—
    - (a) No objection or Tax clearance certificate from Income Tax authority for the remittance.
    - (b) Auditor's certificate confirming that all liabilities in India have been either fully paid or adequately provided for.
    - (c) Auditor's certificate to the effect that the winding up is in accordance with the provisions of the Companies Act, 1956.
    - (d) In case of winding up otherwise than by a court, an auditor's certificate to the effect that there is no legal proceedings pending in any court in India against the applicant or the company under liquidation and there is no legal impediment in permitting the remittance.

Annexure 1  
Statement/returns to be submitted to the Reserve Bank

1	Facilities to NRIs/PIO and Foreign Nationals — Liberalisation — Remittance from NRO account.	Quarterly	A.P. (DIR Series) Circular No 12 dated November 16, 2006
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Annexure 2  
Operational Instructions for Authorised Dealer Banks

1. **General**

Authorised dealers may carefully study the provisions of the Act/Regulations/Notifications issued under Foreign Exchange Management Act, 1999.

2. **Reserve Bank will not prescribe the documents which should be verified by the authorised dealers while permitting remittances for various transactions**

In terms of the provisions contained in sub-section 5 of section 10 of the Act, before undertaking any transaction in foreign exchange on behalf of any person, authorised dealer is required to obtain a declaration and such other information from the person (applicant) on whose behalf the transaction is being undertaken that will reasonably satisfy him that the transaction is not designed to contravene or evade the provisions of the Act or any of the Rules or Regulations made or Notifications or directions or orders issued under the Act. Authorised dealers should preserve the information/ documents obtained by them from the applicant before undertaking the transactions for verification by the Reserve Bank.

In case the person on whose behalf the transaction is being undertaken refuses or does not give satisfactory compliance of the requirements of an authorised person, he shall refuse in writing to undertake the transactions. Where an authorised person has reasons to believe that a contravention or evasion of the Act or the Rules or Regulations made or Notifications issued thereunder was contemplated in the transaction that he has refused to undertake, he shall report the matter to the Reserve Bank.

With a view to maintaining uniform practices, authorised dealers may consider requirements or documents to be obtained by their branches to ensure compliance with provisions of sub-section (5) of section 10 of the Act.

3. **Opening of accounts by Bangladesh/ Pakistan entities**

Opening of accounts by individuals/entities of Bangladesh/Pakistan nationality/ownership requires prior approval of Reserve Bank. All such requests may be referred to the Chief General Manager, Foreign Exchange Department, (Foreign Investment Division), Reserve Bank of India, Central Office, Mumbai-400 001.

4. **Remittance of current income**

Remittance outside India of current income like rent, dividend, pension, interest, etc. in India of the account holder is a permitted debit to the NRO account.

Authorised Dealers may allow repatriation of current income like rent, dividend, pension, interest, etc. of NRIs who **do not maintain an NRO account** in India based on an appropriate certification by a Chartered Accountant, certifying that the amount proposed to be remitted is eligible for remittance and that applicable taxes have been paid/provided for.

5. **Restrictions**

(a) The remittance facility in respect of sale proceeds of immovable property is not available to citizens of Pakistan, Bangladesh, Sri Lanka, China, Afghanistan, Iran, Nepal and Bhutan.

(b) The facility of remittance of sale proceeds of other financial assets is not available to citizens of Pakistan, Bangladesh, Nepal and Bhutan.

#### 6. Tax compliance

Authorised dealers can allow remittances to non-residents only on production of an undertaking by the remitter and a Certificate from a Chartered Accountant in the formats prescribed by the Central Board of Direct Taxes, Ministry of Finance, Government of India in their Circular No. 04/2009 dated 29-6-2009 [cf. Para 4.33 to Chapter 4].

#### Annexure 3 A.P. (DIR Series) Circulars Referred/Relevant to this Chapter

No.	Date	Subject
45	14.05.2002	Remittance of Current Income by NRIs
19	12.09.2002	Remittances of assets in India acquired by way of inheritance/legacy/Foreign Nationals
26	28.09.2002	Remittance of Current Income by Non-Resident Indians (NRIs)/Persons of Indian Origin(PIOs)-No Objection Certificate & Repatriation of NRNR Deposits
27	28.09.2002	Income Tax Clearance Certificate/ No Objection Certificate
17	20.09.2003	Remittance of Salary- Relaxation
86	17.04.2004	Remittance for maintenance of close relatives abroad- Requests of Indian Nationals on deputation to India from Overseas Companies
43	12.05.2005	Remittance of assets by Non-Resident Indians (NRIs)/Persons of Indian Origin (PIO)
65	31.05.2007	<u>Remittance on winding up of companies</u>
3	19.07.2007	Remittances to non-residents – Deduction of Tax at source
35	10.11.2008	<u>Remittance related to Commodity Derivative Contract Issuance of Standby Letter of Credit/Bank Guarantees</u>
26	14.01.2010	Remittance of Salary – Relaxation

OFFICE NAME	
REPORT FOR THE MONTH OF	

*(w/ Payments)*

**DETAILS OF SETTLED CASES OF INTERNATIONAL WORKERS (FORM WISE)  
AND PAYMENT REMITTED TO OVERSEAS BANK ACCOUNTS**

	EPF		EPS		EDLI	TOTAL
	F19	F20	F10C	F10D	F5IF	

NUMBER  
OF CASES  
AMOUNT

**F19**

S NO	NAME OF MEMBER	EPF ACCT NUMBER	NATIONALITY	AMOUNT

**F20**

S NO	NAME OF CLAIMANT	EPF ACCT NUMBER	NATIONALITY	AMOUNT

**F10C**

S NO	NAME OF MEMBER	EPS ACCT NUMBER	NATIONALITY	AMOUNT

**F10D**

S NO	NAME OF MEMBER/NAME OF CLAIMANT	EPS ACCT NUMBER	NATIONALITY	AMOUNT

**F5IF**

S NO	NAME OF CLAIMANT	EPF ACCT NUMBER	NATIONALITY	AMOUNT

( )