



RESERVE BANK OF INDIA
Mumbai - 400 001

RBI/2014-15/596
A.P. (DIR Series) Circular No. 98

May 14, 2015

To
All Category - I Authorised Dealer Banks

Madam / Sir,

Foreign Currency (Non-Resident) Account (Banks) (FCNR (B)) Scheme

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to Schedule 2 of the Foreign Exchange Management (Deposit) Regulations, 2000, notified vide [Notification No. FEMA 5/2000-RB dated May 3, 2000](#), as amended from time to time, in terms of which instructions regarding opening and maintenance of FCNR (B) deposit have been stipulated.

2. It has come to our notice that Authorised Dealer banks are insisting on different requirements at the time of closure of FCNR (B) deposits and subsequent remittance of funds as under:

- i) Submission of A2 form
- ii) Insisting on physical presence of the account holder
- iii) Asking for purpose of remittance

3. In this connection it is clarified that A2 form is to be filed at the time of purchase of foreign exchange using rupee funds and hence is not applicable while remitting FCNR (B) funds. Further, banks, with the help of technology, will have to devise better alternatives/ methods for ensuring bonafides of the transaction rather than insisting on physical presence of the account holder, in order to ensure hassle free remittance of funds to the account holder.

4. AD Category- I banks may bring the contents of the circular to the notice of their constituents 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 is without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(A. K. Pandey)
Chief General Manager