



Vision & Mission and Citizens' Charter

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Reserve Bank of India
Foreign Exchange Department

December 2012



RESERVE BANK OF INDIA
FOREIGN EXCHANGE DEPARTMENT

**Vision & Mission
and
Citizens' Charter**

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Vision & Mission



RESERVE BANK OF INDIA FOREIGN EXCHANGE DEPARTMENT

Our Vision

- *To evolve appropriate environment in discharging the basic objective of the Foreign Exchange Management Act (FEMA), 1999;*
- *To facilitate external trade and payments and to promote orderly development and maintenance of foreign exchange market in India; and*
- *To frame prompt and pro-active policy responses, as part of active capital account management, within the evolving macroeconomic conditions.*

Our Mission

To effectively integrate the needs of the users, both resident and non-resident, with the evolving market dynamics and external sector developments by:

- *evolving and disseminating rules and regulations in a user friendly language;*
- *moving towards fuller capital account convertibility in a calibrated manner;*
- *having regular interface with the users to assess their needs with greater focus on the requirements of resident individuals /entities;*
- *rendering effective and efficient customer service with greater transparency;*
- *empowering Authorised Persons and enlarging their role as a conduit to create awareness about the developments;*
- *facilitating hassle-free cross-border transactions;*
- *capturing data on a real time basis to dynamically induce policy changes; and*
- *disseminating data in a transparent manner.*

Citizens' Charter



PREFACE

A Citizens' Charter reflects the commitment of an organisation towards standards, quality, transparency and accountability of services delivered and act as an effective grievance redressal mechanism. The prime objective of the Citizens' Charter is to improve the quality of customer service. The Citizens' Charter for the Foreign Exchange Department of the Reserve Bank of India elucidates the main functions of the Department and remedies available to the citizens with a view to improving the quality of customer service in the area of foreign exchange. The Charter does not create new legal rights but reinforces the existing rights.

The objective of the Foreign Exchange Management Act, 1999, (FEMA) is to "facilitate external trade and payments" and "promote orderly development and maintenance of foreign exchange market in India". As part of the obligations assumed under Article VIII of the charter of its membership of International Monetary Fund, India accepted the move towards full current account convertibility in August 1994. Therefore all quantitative and sectoral restrictions, with a few exceptions, were gradually removed for all current account transactions and extensive powers have been delegated to the Authorized Dealers to deal with all categories of current account transactions. Most of the current account transactions do not require the Reserve Bank's prior approval. Approval of the Reserve Bank is required for those transactions listed in Schedule-III to the Foreign Exchange Management (Current Account Transactions) Rules, 2000, where the remittance to be made is beyond the stipulated limit.

As India is not fully convertible on the capital account, a calibrated approach towards the same is being followed. In keeping with the spirit of liberalisation, which has become the hallmark of economic policy in general, and foreign exchange regulations in particular, the Reserve Bank has been progressively relaxing and simplifying the procedures for capital account transactions. Accordingly, certain capital account transactions involving foreign direct investment, external commercial borrowings and the overseas direct investment have been permitted to be undertaken under automatic route/general permission. In respect of transactions which are not covered under general permission, the entities are required to approach the Reserve Bank through their authorized dealers for necessary approvals. Capital inflows to India are subject to a hierarchy of preferences- equity over debt and in equity -direct investment is preferred over portfolio flows, and in debt -rupee denominated debt preferred over foreign currency debt and medium and long-term debt preferred over short-term debt. Outbound capital flows are enabled to make the Indian entities competitive in global arena for better access to global networks and markets, transfer of technology and

skills and to share research and development efforts and outcomes. The overall approach has been to traverse towards capital account convertibility along a gradual path - the path itself being recalibrated on a dynamic basis in response to domestic and global developments. Therefore administrative measures are in place to influence the composition of capital flows.

Time frame for handling both current and capital account transactions are indicated in the Citizens' Charter.

The Department's endeavour is to render efficient customer service through its Central Office at Mumbai as well as 17 Regional Offices and two Cells, one each at Nagpur and Srinagar. The Citizens' Charter of the Foreign Exchange Department gives you information about your rights relating to foreign exchange transactions as residents of this country through the following six sections:

- An Overview
- Organisational Set-up
- Functions
- Time Limits for Disposal of Applications
- Complaint Redressal
- Information Dissemination

We welcome your suggestions to help us serve you better.

Dr.Sujatha Elizabeth Prasad
Chief General Manager-in-Charge

December 10, 2012
Reserve Bank of India,
Foreign Exchange Department,
Central Office, Mumbai - 400 001.



An Overview

THE Foreign Exchange Regulation Act, 1973 (FERA) was repealed and a new Act called the Foreign Exchange Management Act, 1999 (FEMA) came into force with effect from June 1, 2000, with a view to facilitating external trade and payments and promoting orderly development and maintenance of foreign exchange market in India.

UNDER the FEMA, foreign exchange transactions are divided into two broad categories - current account and capital account transactions. Transactions that alter the assets or liabilities, including contingent liabilities outside India, of persons resident in India or assets or liabilities in India of persons resident outside India are classified as capital account transactions. All other transactions are current account transactions.

Current Account Transactions

UNDER the FEMA, the Government of India, in consultation with the Reserve Bank, is empowered to impose reasonable restrictions on current account transactions. The Government of India has notified the Foreign Exchange Management (Current Account Transactions) Rules, 2000, governing the current account transactions (*Notification No. G.S.R. 381(E) dated May 3, 2000, as amended from time to time*). The Foreign Exchange Management (Current Account Transactions) Rules, 2000 (the Rules) list the current account remittances under three categories.

Remittances,

- i) which are prohibited are listed in Schedule – I to the Rules;
- ii) which need prior approval of the Government of India are listed in Schedule – II to the Rules; and
- iii) which need prior permission from the Reserve Bank that is, in case the amount of remittance exceeds the stipulated limits are listed in Schedule – III to the Rules.



UNDER the Foreign Exchange Management (Current Account Transaction) Rules, 2000, powers have been delegated to the Authorised Persons (APs) to allow remittances which are of current account in nature, in a hassle-free manner. Under the FEMA, ADs have been classified as under :

Category – I : ADs which include banks;

Category – II : ADs which include upgraded Full Fledged Money Changers (FFMCs), Co-operative Banks, Regional Rural Banks (RRBs) and other entities; and

Category – III : ADs which include select financial and other institutions.

IN addition, Full Fledged Money Changers (FFMCs), which include Department of Posts and Urban Co-operative Banks and other entities, are also allowed to purchase and sell foreign exchange for the purpose of private and business visits abroad.

PERSONS resident in India can avail of various facilities made available to them under the FEMA from the Authorised Persons who, thus, become an interface between the Reserve Bank and the common person.

Capital Account Transactions

THE Reserve Bank, in consultation with the Government of India, has notified comprehensive, simple and transparent regulations under the FEMA, 1999 for capital account transactions. The regulations distinctly indicate the types of permissible capital account transactions, simplified procedures for undertaking transactions and the returns that have to be submitted to the Reserve Bank. The regulations grant substantial powers to the Authorised Dealer Category – I banks to undertake capital account transactions on behalf of their clients.

NO liberalisation effort is complete unless the customers or the end-users are able to access the facilities through simple and transparent procedures. A number of initiatives have, therefore, been taken towards simplifying the procedure for cross-border



transactions. The constitution of the 'Committee on Procedures and Performance Audit on Public Services' (CPPAPS) in the year 2004 under the chairmanship of Shri S.S. Tarapore reflected this concern. In its report on 'Exchange Controls Relating to the Individuals', the Committee focused its attention on the assessment of facilities and procedures for both resident and non-resident individuals. A variety of measures have been implemented to facilitate forex transactions to individuals. The Committee on Fuller Capital Account Convertibility (FCAC), constituted in the year 2006, reviewed the capital account liberalisation since 1997 and recommended several measures to further relax capital controls in a phased manner. Most of the recommendations of this Committee have been implemented. In accordance with the recommendations, a Task Force was constituted to identify the anomalies in the present regulatory framework for the current and the capital accounts and make suitable recommendations to untie the knots in the forex management system, so as to carry forward the liberalisation process in a more meaningful and user friendly manner. The recommendations made by the Task Force in simplifying the procedures of external transactions have also been implemented.

Dealing with Contravention

IN keeping with the spirit of the FEMA, the Government of India has empowered the Reserve Bank under section 15 of the Act to compound the contraventions under all the sections of FEMA, 1999 except section 3(a) of the Act. With an objective to provide comfort to the individuals and the corporate community by minimizing transaction costs while taking serious view of willful, malafide and fraudulent transactions, the Reserve Bank has issued detailed operational guidelines on February 1, 2005, for compounding of contravention under the FEMA. The procedure envisages making an application for compounding with the prescribed fee of Rs. 5,000 along with relevant facts and supporting documents, to the Reserve Bank. Under the provision of the Act, the Compounding Authority in the Reserve Bank is required to dispose of the application within 180 days from the date of receipt of the application.



Organisational Set-up

THE Central Office of the Foreign Exchange Department, which is situated in Mumbai, is concerned with laying down the policies and procedures under the FEMA. Communications to the Central Office can be addressed to:

The Chief General Manager-in-Charge,
Reserve Bank of India,
Foreign Exchange Department,
Central Office,
Shahid Bhagat Singh Marg,
Mumbai 400 001.

Phone : 022-2261 0579 • Fax: 22611438

[email](#)

The Department has 17 Regional Offices and two Cells. The contact details and jurisdiction of these Offices/Cells are :

Office	Name and Address	Jurisdiction	Tel. No.	Fax No.	E-mail
Ahmedabad	Sh. K. Neethi Ragavan, General Mgr, La Gajjar Chambers, Ashram Road, Ahmedabad-380 009	State of Gujarat, Union Territories of Diu, Daman and Dadra Nagar Haveli	079 26574886 079 26574895	079-2657 4887	kneethiragavan@rbi.org.in
Bangalore	Shri.M.A.R. Prabhu General Mgr, 10-3-8, Nrupathunga Road, P.B. No.5470, Bangalore-560 001	State of Karnataka	080-2221 2339 080-2221 7775 080-2218 0278 080-2218	080-2223 7882	arprabhu@rbi.org.in

			0246		
Bhopal	Shri. Suwendu Pati Deputy General Mgr. Hoshangabad Road, P.B. No.32, Bhopal-462 011.	State of Madhya Pradesh & Chattisgarh	0755-2578295 0755-2675300 2552119 ext 425		suwendupati@rbi.org.in fedbhopal@rbi.org.in
Bhubaneswar	Smt. Mala Sinha General Mgr. Pt.Jawaharlal Nehru Marg, P.B. No.16, Bhubaneswar - 751 001.	State of Orissa	- 0674 2390910		malasinha@rbi.org.in
Chandigarh	Ms Sunanda Batra , Deputy General Manager	State of Haryana(excluding the districts of Faridabad, Gurgaon and Sonapat) Himachal Pradesh and, Punjab and UT of Chandigarh	0172 2721417 Other nos: 0172272488 0; 0172272138 6; 0172270155 0	Fax: 0172-2723124	sunandabatra@rbi.org.in
Chennai	Shri R. Rajagopalan General Manager	State of Tamil Nadu and Union Territory of Puducherry	044-2536 9045 Mob: 95001 23892 25619718, 25360927, 25399295 & 25399296	044-25360912	rrajagopalan@rbi.org.in fedchennai@rbi.org.in
Guwahati	Shri D Sethy, General Manager, Foreign Exchange Department, 4th Floor, Pan Bazar, Station Road, Guwahati-781001	States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura.	0361-2541248		fedguwahati@rbi.org.in dsethy@rbi.org.in

Hyderabad	Shri Govindrao Rapole General Manager	. State of Andhra Pradesh	040-23237155 040-23241325	040-23230096; 040-23212615	rgovindrao@rbi.org.in
Jaipur	Sh. A.B Das Deputy General Manager	State of Rajasthan	0141-5113043 Mob.no.--- 0979900299 9 0141-2564661 Ext.(532)		ashitbdas@rbi.org.in
Jammu	Shri A.K.Mattu DGM	Jammu and Kashmir & Ladakh Divisions	0191-2474888		akmattu@rbi.org.in
Kanpur	SHRI ANUP KUMAR DGM	State of Uttar Pradesh excluding NOIDA in Ghaziabad district & Uttarakhand.	0512-2305917 9839009988 (M)		anupkumar@rbi.org.in
Kochi	Shri C.V,George General Manager,	State of Kerala and Union Territory of Lakshadweep	0484-2400985 0484-2400076 0484-2401153	0484-2402715	cvgeorge@rbi.org.in
Kolkata	Ms Anindita Bhattacharya, GM	State of Sikkim and West Bengal and Union Territory of Andaman and Nicobar Islands.	033-2230-8343 033-22210218		aninditabhattacharya@rbi.org.in
Mumbai	Harihar Mishra, General Manager, Reserve Bank of India, Foreign EXchange Department, Mumbai Regional	State of Maharashtra	022-26572903, M.96194343 68	022-26572928	hariharmishra@rbi.org.in

	Office, 6 th Floor, C-7, Bandra-Kurla Complex, Bandra(East), Mumbai- 400051.				
New Delhi	P.K. Raut (GM)	State of Delhi, the districts of Faridabad, Gurgaon and Sonapat of State of Haryana and NOIDA in Ghaziabad district of Uttar Pradesh	011- 2371 4341 011- 2372 0724	011 -2372 5234	fednewdelhi@rbi.org.in pkraut@rbi.org.in
Panaji	Jaikish, General Manager	State of Goa	0832 - 2438660		jaikish@rbi.org.in
Patna	Shri. Aditya Kishwar, General Manager	State of Bihar & Jharkhand	0612- 2320815 9771431504 ;		fedpatna@rbi.org.in adityakishwar@rbi.org.in
Nagpur (Cell)	R.Srinivasa Rao, AGM Raghavendra Rao Road, P.B. No.15, Civil Lines, Nagpur – 440 001	Akola, Amaravati, Bhandara, Buldhana, Chandrapur, Gadchiroli, Nagpur, Vardha, Yeotmal districts of Maharashtra.	0712 – 2541935 and 8308543600	0712 - 2536756	fednagpur@rbi.org.in
Srinagar (Cell)	Ved Prakash, Mgr. Opp. Iqbal Park Airport Road, Srinagar – 190 008	Kashmir Valley/Region (districts of Jammu & Kashmir)	0194 - 2312685		vedprakash@rbi.org.in



Functions

Conduct of Foreign Exchange Transactions

SINCE the procedures have been simplified and powers have been delegated to the Authorised Persons under the FEMA, 1999, the role of the Foreign Exchange Department is minimum so far as the citizens are concerned. Persons resident in India have to simply approach the Authorised Persons to meet their foreign exchange needs. The Authorised Persons are guided by the Current Account Rules notified by the Government of India and Capital Account Regulations notified by the Reserve Bank, from time to time.

RESIDENT individuals can also make permissible capital and current account remittances or a combination of both, under the Liberalised Remittance Scheme. The facility under the Scheme is in addition to those already available for private travel, business travel, studies, medical treatment, etc., as described in Schedule - III of Foreign Exchange Management (Current Account Transactions) Rules, 2000.

IN relation to the needs of the common person, the Foreign Exchange Department of the Reserve Bank, thus, has a limited role as it now considers only those applications which require prior approval of the Reserve Bank under Foreign Exchange Management (Current Account Transactions) Rules and (Capital Account Transactions) Regulations.

Compounding Authority for FEMA Contraventions

AS the Compounding Authority, the Reserve Bank has put in place a procedure for compounding of contraventions under the FEMA, since February 2005. The procedure envisages making an application for compounding with the prescribed fee of Rs. 5,000 along with relevant facts and supporting documents, to the Reserve Bank. The Reserve Bank disposes of the applications within 180 days from the date of receipt of the application.



Time Limits for Disposal of Applications

THE Foreign Exchange Department of the Reserve Bank is committed to dispose of the applications received within a certain time limit. The time limits for disposal of various applications are:

Type of application	Maximum number of working days for disposal of application	
	Central Office	Regional Office
FOREIGN INVESTMENT IN INDIA		
Refund of advance remittance	–	5
Transfer of shares (requiring prior RBI approval)	30	–
FC-GPR to be taken on record	–	30
Pledge of shares	30	–
Allotment of Unique Identification Number (UIN)	–	7
Issue of licence for Branch / Liaison Office	30	–
INDIAN INVESTMENT ABROAD		
Investment in Overseas Joint Ventures and WOS (not covered by automatic route)	25	–
Disinvestment of shares in Overseas Joint Ventures / Subsidiaries	15	–
Allotment of Unique Identification Number (UIN)	15	–
Other overseas Investment under approval route	25	--
EXPORTS		
Permission for waiving GR Form formalities for exports	–	5
Set Off / Write Off	–	5
Export receivables / payables outside ACU mechanism	–	5
Refund / retention of advance	–	5
IMPORTS		
Direct imports	–	5
Third country / Merchanting trade / Warehousing	–	5
Import receivables / payables outside ACU mechanism	–	5
Items under Schedule III of Current Account Transaction (CAT) Rules – release of exchange beyond the stipulated limits		
(i) Travel related purposes	–	5
(ii) Non-travel related purposes	–	5
OTHERS		
Issue / Renewal of Money Changer's licence	–	30
Compounding of contraventions of FEMA	180(calendar days)	180(calendar days)

ECBD related transactions :		
Trade credit under approval route	5	-
Post servicing of automatic cases	10	-
ECB / FCCB under approval route upto to USD 100 million	10	-
ECB / FCCB under approval route above USD 100 million	20	-



Complaint Redressal

THE Foreign Exchange Department of the Reserve Bank is committed to dispose of the applications within the prescribed time limits. The time limits for disposal of applications received in the Department are given in the previous Section.

CITIZENS may approach **Complaint Redressal Cells** of the Reserve Bank for resolving complaints against the Department. Complaint Redressal Cells have been set up in all the Regional Offices of the Reserve Bank and function under the Regional Director / Officer-in-Charge of the Office concerned.

COMPLAINT / Suggestion Boxes have been provided in the Central Office as well as Regional Offices / Cells of the Foreign Exchange Department.

A Customer Service Department has been functioning in the Central Office of the Reserve Bank to attend to the systemic issues arising out of complaints emanating from the members of the public. Such issues may be addressed to:

The Chief General Manager,
Reserve Bank of India,
Customer Service Department, Amar Building, 1st Floor,
Sir P.M. Road, Mumbai - 400 001
Telephone: 022 - 22663000 • Fax: 022 – 22631744 / 22630482

Complaints can also be made on-line by accessing the Reserve Bank's website under the link 'For Common Person' on the Homepage.

(<http://www.rbi.org.in/commonman/English/Scripts/AgainstRBI.aspx>).

FOR redressal of complaints against banks, citizens may approach the Banking Ombudsman. The Reserve Bank introduced the Banking Ombudsman Scheme in 1995. Complaints which fall under the purview of the Scheme can be made on-line by accessing the Reserve Bank's website under the link 'For Common Person' on the Home page. (<http://www.rbi.org.in/commonman/English/Scripts/AgainstBank.aspx>).





Information Dissemination

Guidance on Forex Matters

ALL the regulations and circulars issued by the Reserve Bank are placed on the Reserve Bank website (www.rbi.org.in). The FEMA section under Notifications on the Home page contains information classified as below:

1. Notifications
2. A. P. (DIR Series) Circulars
3. Frequently Asked Questions (FAQs) [also available through separate link on the Home Page]
4. Forms
5. FII List
6. ADs List
7. FFMC List
8. List of Authorised Franchisees of ADs / FFMCs
9. List of FFMC Licences Cancelled
10. Unique Identification Numbers allotted to Branch Offices and Liaison Offices of Foreign entities in India
11. Money Transfer Service Scheme
12. List of MTSS Sub-Agents
13. Electronic Reporting System



IN addition, Master Circulars on following nine subjects, are available in 'Master Circulars' sub-section of the 'Notifications' section of the website.

Sr.No.	Subject
1.	Foreign Investments in India
2.	Export of Goods and Services
3.	External Commercial Borrowings and Trade Credits
4.	Direct Investment by Residents in Joint Venture (JV)/Wholly Owned Subsidiary(WOS)
5.	Memorandum of Instructions governing money changing activities
6.	Miscellaneous Remittances from India – Facilities for Residents
7.	Risk Management and Inter-Bank Dealings
8.	Import of Goods and Services
9.	Compounding of Contraventions under FEMA, 1999
10.	Remittance facilities for Non-Resident Indians/Persons of Indian Origin/Foreign Nationals
11.	Establishment of Liaison / Branch / Project Offices in India by Foreign Entities
12.	Acquisition and Transfer of Immovable Property in India by NRIs/PIOs/Foreign Nationals of Non-Indian Origin
13.	Memorandum of Instructions for Opening and Maintenance of Rupee / Foreign Currency Vostro Accounts of Non-resident Exchange Houses
14.	Non-Resident Ordinary Rupee (NRO) Account
15.	Money Transfer Service Scheme

The Master Circulars are compilations of regulations on a particular subject issued from time to time. They are updated every year on July 1 and are placed on the Reserve Bank's website.

AMENDMENTS to the Rules/Regulations issued under FEMA, 1999 are notified through Notifications / A. P. (DIR Series) Circulars issued by the Foreign Exchange Department from time to time. The circulars are placed on the Reserve Bank website ([URL:www.rbi.org.in/scripts/Fema.aspx](http://www.rbi.org.in/scripts/Fema.aspx)) as soon as they are issued. Copies of the A. P. (DIR Series) circulars are available in printed form to the general public at -

The Director,
Department of Economic Analysis and Policy,
Division of Reports, Reviews and Publications (Sales Section),
Reserve Bank of India,
Amar Building, 6th floor,
Sir P.M. Road, Mumbai-400 001

They are also available at the Regional Offices / Cells.
