

Receipt of foreign contributions by Associations/Organisations towards relief measures in Gujarat- Opening of Foreign Currency Accounts in India

DBOD.No.BC.123 /12.01.001/2000-01

**May 14, 2001
Vaishakha 24,1923 (saka)**

NOTIFICATION

In exercise of the powers conferred by Sub-section (7) of Section 42 of the Reserve Bank of India Act, 1934 (2 of 1934), Reserve Bank of India hereby exempts Scheduled Commercial Banks from the maintenance of the prescribed average Cash Reserve Ratio (CRR) up to June 30, 2001 on their liabilities on account of deposits in foreign currency accounts opened in India for a temporary period for receipt of donations from abroad towards relief measures in Gujarat.

2. The exemption stipulated above shall be subject to the CRR maintenance by Scheduled Commercial Banks at not less than 3 per cent of their total demand and time liabilities as computed under Section 42(1) of Reserve Bank of India Act, 1934.

**(K.L.Khetarpaul)
Executive Director**

DBOD No. BC 124 /12.01.001/2000-01

**May 14, 2001
Vaishakha 24, 1923 (saka)**

To All Scheduled Commercial Banks

Dear Sir,

Receipt of foreign contributions by Associations/Organisations towards relief measures in Gujarat- Opening of Foreign Currency Accounts in India

As you are aware scheduled commercial banks operating as Authorised Persons in Foreign Exchange have been permitted to open foreign currency accounts in India for a specified temporary period for receipt of donations from abroad towards relief measures in earthquake ravaged state of Gujarat. It has since been decided that such accounts /deposits in foreign currency will be exempt from the requirement of maintenance of the prescribed cash reserve ratio (CRR) up to June 30, 2001. The exemption is subject to the stipulation that CRR and statutory liquidity ratio (SLR) maintained on total net demand and time liabilities (NDTL) is not less than 3 per cent and 25 per cent respectively, and these accounts /deposits comply with the following terms and conditions:

- (a) Circular DBOD No.BP.BC.74/21.01.023/2000-01 dated February 01,2001 issued by RBI , DBOD regarding the receipt of foreign contributions by Associations/organizations in India under Foreign Contribution (Regulation) Act, 1976.
- (b) The account is maintained in US dollars
- (c) The funds held in the account are utilized towards earthquake relief measures in Gujarat ; and
- (d) No remittance will be permitted from this account out of India

2. A copy of the relative notification DBOD No.BC 123/12.01.001/2000-01 dated May 14, 2001 is enclosed.

3.The directions contained in this circular have been issued under Section 10 (4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999), and any contravention or non-observance thereof is subject to the penalties prescribed under the said Act.

4. Please acknowledge receipt.

Yours faithfully,

(R.C.Mittal)
General Manager.

Encl : as above