



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

RBI/2011-12/537

A. P. (DIR Series) Circular No.118

May 07, 2012

To

All Authorised Dealers in Foreign Exchange

Madam/ Sir,

Release of Foreign Exchange for Miscellaneous Remittances

Attention of Authorised Dealers in foreign exchange is drawn to [A.P.\(DIR Series\) Circular No. 16 dated September 12, 2002](#), in terms of which the Authorised Dealers were advised to release amounts up to USD 500 or its equivalent for all permissible transactions on the basis of a simple letter from the applicant containing the basic information, viz., names and the addresses of the applicant and the beneficiary, amount to be remitted and the purpose of remittance. It was clarified in the circular that Authorised Dealers need not insist upon submission of A2 Forms in such cases. The limit was subsequently enhanced to USD 5000 in terms of the [A.P.\(DIR Series\) Circular No. 55 dated December 23, 2003](#).

2. With a view to further liberalizing the documentation requirements, the limit for foreign exchange remittance for miscellaneous purposes without documentation formalities, has been raised from USD 5000 to USD 25000 with immediate effect.

3. It is clarified that Authorised Dealers need not obtain any document, including Form A-2, except a simple letter as stated above as long as the foreign exchange is being purchased for a current account transaction (not included in the Schedules I and II of Government Notification on Current Account Transactions), and the amount does not exceed USD 25000 or its equivalent and the payment is made by a cheque drawn on the applicant's bank account or by a Demand Draft. AD banks shall prepare dummy A-2 so as to enable them to provide purpose of remittance for statistical inputs for Balance of Payment.

4. Authorised Dealers may bring the contents of this 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 are without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully,

(Rudra Narayan Kar)
Chief General Manager