

**Foreign Exchange Management Act, 1999 – EEFC/RFC(D) Account – Clarification
A.P. (DIR Series) Circular No.21 (Sept 23, 2003)**

**Reserve Bank of India
Exchange Control Department
Central Office
Mumbai - 400 001**

A.P. (DIR Series) Circular No.21

September 23, 2003

To
All Authorised Dealers in Foreign Exchange

Madam/Sirs,

**Foreign Exchange Management Act, 1999 –
EEFC/RFC(D) Account - Clarification**

Attention of Authorised Dealers is invited to Regulations 4 and 5A of Notification No.FEMA 10/2000-RB dated May 3, 2000, as amended from time to time, in terms of which a person resident in India may hold, open and maintain with an Authorised Dealer in India, Exchange Earner's Foreign Currency (EEFC) Account and Resident Foreign Currency (Domestic) [RFC(D)] Account, respectively, subject to the conditions stipulated therein.

2. Reserve Bank has been receiving requests from the account holders seeking clarification whether the balances in the EEFC and RFC (D) Accounts mentioned above could be credited to their Non-Resident (External) Rupee Accounts (NRE) and/or Foreign Currency Non-Resident (Bank) Accounts (FCNR-B) consequent upon change of the residential status of the account holder from resident to non-resident. The matter has been examined and it is clarified that the balances in the EEFC and RFC (D) Accounts may be allowed to be credited to NRE/FCNR-B Account, at the option/request of the account holders consequent upon change of their residential status from resident to non-resident.

3. Authorised Dealers may bring the contents of this circular to the notice of their constituents concerned.

4. 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).

Yours faithfully,

**Grace Koshie
Chief General Manager**