

**RESERVE BANK OF INDIA
FOREIGN EXCHANGE DEPARTMENT
CENTRAL OFFICE
MUMBAI - 400 001**

RBI/2004/45

A.P.(DIR Series) Circular No.66

February 6, 2004

To

All Authorised Dealers in Foreign Exchange

Madam / Sirs,

**FEMA 1999 - Imports into India –
Direct Receipt of Import Bills/Documents - Liberalisation**

Attention of Authorised Dealers is invited to paragraph A.12 of the Annexure to A.P.(DIR Series) Circular No. 106 dated June 19, 2003 permitting Authorised Dealers to make remittances in respect of certain import bills/documents which have been directly received by the importers from the overseas suppliers.

2. With a view to simplifying and liberalising the procedure for imports, it has been decided to raise the prescribed limits of USD 10,000/- and USD 25,000/- for such direct receipt of import bills/documents under the facility, mentioned at paragraph A.12 of the said circular, **uniformly to USD 100,000/-** or its equivalent. A table containing the eligible import bills/documents covered by this circular indicating the original and revised position is annexed for ready reference.

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 Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,

Grace Koshie

Chief General Manager

Encl: As above

Original	Revised
<p>Paragraph A-12 of A.P. (DIR Series) Circular No.106 dated June 19, 2003</p> <hr/> <p>Receipt of import Bills/Documents</p> <p>i. Import bills and documents should be received from the banker of the supplier by the banker of the importer in India. Authorised dealers should not, therefore, make remittances where import bills have been received directly by the importers from the overseas supplier, except in the following cases:</p> <p>a. Where the value of import bill does not exceed USD 10,000.</p> <p>b. Import bills received by wholly-owned Indian subsidiaries of foreign companies from their principals.</p> <p>c. Import bills received by Super Star Trading Houses, Star Trading Houses, Trading Houses, Export Houses, 100% Export Oriented Units/ Units in Free Trade Zones, Public Sector Undertakings and Limited Companies.</p> <p>d. Where the value of import bill does not exceed USD 25,000 in respect of import of -</p> <p>i. books and magazines</p> <p>ii. life saving drugs/equipments by Hospitals, etc. and</p> <p>iii. imports by reputed research and other development institutions like Tata Institute of Fundamental Research, C-DOT, Indian Institute of Technology, Indian Institute of Science and Universities.</p> <p>e. Import bills received by all limited companies viz. public limited, deemed public limited and private limited companies.</p> <p>ii. In all other cases, at the request of importer clients, authorised dealers may receive bills direct from the overseas supplier up to USD 25,000 (U.S. Dollars Twenty five thousand only), provided the authorised dealer is fully satisfied about the financial standing/status and track record of the importer customer. Before extending the facility, authorised dealer should obtain report on each individual overseas supplier from the overseas banker or reputed credit agency.</p>	<p>Paragraph A-12 of A.P. (DIR Series) Circular No. 106 dated June 19, 2003 revised vide A.P. (DIR Series) Circular No. 66 dated February 6, 2004</p> <hr/> <p>Receipt of import Bills/Documents</p> <p>i. Import bills and documents should be received from the banker of the supplier by the banker of the importer in India. Authorised dealers should not, therefore, make remittances where import bills have been received directly by the importers from the overseas supplier, except in the following cases:</p> <p>a. Where the value of import bill does not exceed USD 100,000.</p> <p>b. Import bills received by wholly-owned Indian subsidiaries of foreign companies from their principals.</p> <p>c. Import bills received by Super Star Trading Houses, Star Trading Houses, Trading Houses, Export Houses, 100% Export Oriented Units/ Units in Free Trade Zones, Public Sector Undertakings and Limited Companies.</p> <p>d. Where the value of import bill does not exceed USD 100,000 in respect of import of -</p> <p>i. books and magazines</p> <p>ii. life saving drugs/equipments by Hospitals, etc. and</p> <p>iii. imports by reputed research and other development institutions like Tata Institute of Fundamental Research, C-DOT, Indian Institute of Technology, Indian Institute of Science and Universities.</p> <p>e. Import bills received by all limited companies viz. public limited, deemed public limited and private limited companies.</p> <p>ii. In all other cases, at the request of importer clients, authorised dealers may receive bills direct from the overseas supplier up to USD 100,000 (U.S. Dollars one lakh only), provided the authorised dealer is fully satisfied about the financial standing/status and track record of the importer customer. Before extending the facility, authorised dealer should obtain report on each individual overseas supplier from the overseas banker or reputed credit agency.</p>