



RESERVE BANK OF INDIA
Mumbai - 400 001

RBI/2015-16/184
A.P. (DIR Series) Circular No.15

September 24, 2015

To
All Category - I Authorised Dealer Banks

Madam / Sir,

Opening of foreign currency accounts in India by ship-manning / crew-management agencies

Attention of Authorised Dealer Category-I (AD Category - I) banks is invited to Regulation 6 of Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations, 2000 notified vide [Notification No. FEMA 10/2000-RB dated May 3, 2000](#), as amended from time to time, and [A.P. \(DIR Series\) Circular No. 48 dated April 30, 2007](#), in terms of which general permission is available to ship-manning / crew managing agencies that are rendering services to shipping/airline companies incorporated outside India, to open, hold and maintain non-interest bearing foreign currency account with an AD Category – I bank in India for meeting the local expenses in India of such shipping or airline company.

2. With a view to ensuring strict compliance, our guidelines on the operations in such foreign currency accounts opened with AD Category-I banks by foreign shipping or airline companies or their agents in India are reproduced below:

- a) Credits to such foreign currency accounts would be only by way of freight or passage fare collections in India or inward remittances through normal banking channels from the overseas principal. Debits will be towards various local expenses in connection with the management of the ships / crew in the ordinary course of business.

- b) No credit facility (fund based or non-fund based) should be granted against security of funds held in such accounts.
- c) The bank should meet the prescribed 'reserve requirements' in respect of balances in such accounts.
- d) No EEFC facility should be allowed in respect of the remittances received in these accounts.
- e) These foreign currency accounts will be maintained only during the validity period of the agreement.

3. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

4. The directions contained in this Circular have been issued under Section 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,

(A. K. Pandey)
Chief General Manager