



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

**RBI/2011-12/184
A.P. (DIR Series) Circular No. 20**

September 16, 2011

To

All Banks Authorised to Deal in Foreign Exchange

Madam / Sir,

**Meeting of Medical expenses of NRIs close relatives
by Resident Individuals**

Attention of Authorised Dealer (AD) banks is invited to para 2 of the [Notification No. FEMA 16/RB-2000 dated May 3, 2000](#) viz. Receipt from and Payment to, a Person Resident Outside India, as amended from time to time, in terms of which a resident may make payment in rupees towards meeting expenses on account of boarding, lodging and services related thereto or travel to and from and within India of a person resident outside India who is on a visit to India.

2. The Committee to review the facilities for individuals under the Foreign Exchange Management Act (FEMA), 1999 has in its Report recommended that the ambit of FEMA Notification No.16/RB-2000 dated May 3, 2000 may be expanded to include permission to residents to bear medical expenses of visiting NRIs/PIOs.

3. The extant position has been reviewed and it has been decided that where the medical expenses in respect of NRI close relative (relative as defined in Section 6 of the Companies Act, 1956) are paid by a resident individual, such a payment being in the nature of a resident to resident transaction may be covered

under the term “services related thereto” under Regulation 2(i) of Notification No. FEMA 16 /2000- RB dated May 3, 2000, *ibid*.

4. AD banks may bring the contents of this circular to the notice of their constituents and customers 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,

(Meena Hemchandra)
Chief General Manager In-Charge