

RBI reviews Non-Resident Rupee Accounts Policy

With a view to promote the usage of INR products by persons resident outside India, it has been decided by RBI, in consultation with the Government of India, to expand the scope of Special Non-resident Rupee (SNRR) Account by permitting person resident outside India to open such account for:

- External Commercial Borrowings in INR;
- Trade Credits in INR;
- Trade (Export/ Import) Invoicing in INR; and
- Business related transactions outside International Financial Service Centre (IFSC) by IFSC units at GIFT city like administrative expenses in INR outside IFSC, INR amount from sale of scrap, government incentives in INR, etc. The account will be maintained with bank in India (outside IFSC).

It has also been decided by RBI, in consultation with the Government of India, to rationalise certain other provisions for operation of the SNRR Account, as under:

- Remove the restriction on the tenure of the SNRR account opened for the purposes given above as the proposed transactions are more enduring in nature.
- Apart from Non-Resident Ordinary (NRO) Account, permit credit of amount due/ payable to non-resident nominee from account of a deceased account holder to Non-Resident External (NRE) Account or direct remittance outside India through normal banking channels.

All other provisions of the policy on Deposits and Accounts remain unchanged. It has been directed by RBI that AD Category - I banks should bring the contents of this circular to the notice of their constituents and customers.

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Warm Regards,

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