



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/FED/2015-16/8

FED Master Direction No. 13/2015-16

January 1, 2016
(Updated as on April 28, 2016)

To,

All Authorised Dealer Category – I banks and Authorised banks

Madam / Dear Sir,

Master Direction - Remittance of Assets

Remittance outside India by a person whether resident in India or not, of assets in India, are governed by section 47 of the Foreign Exchange Management Act, 1999 (FEMA) read with ¹[Notification No. FEMA 13\(R\)/2016-RB dated April 1, 2016](#). These Regulations are amended from time to time to incorporate the changes in the regulatory framework and published through amendment notifications.

2. Within the contours of the Regulations, Reserve Bank of India also issues directions to Authorised Persons under Section 11 of the Foreign Exchange Management Act (FEMA), 1999. These directions lay down the modalities as to how the foreign exchange business has to be conducted by the Authorised Persons with their customers/constituents with a view to implementing the regulations framed.

3. Instructions issued on remittance of assets have been compiled in this Master Direction. The list of underlying circulars/ notifications which form the basis of this Master Direction is furnished in the Appendix. Reporting instructions can be found in Master Directions on reporting (Master Direction No. 18 dated January 01, 2016).

4. It may be noted that, whenever necessary, Reserve Bank shall issue directions to Authorised Persons through A.P. (DIR Series) Circulars in regard to any change in the Regulations or the manner in which relative transactions are to be conducted by the Authorised Persons with their customers/ constituents. The Master Direction issued herewith shall be amended suitably simultaneously.

Yours faithfully,

(A K Pandey)
Chief General Manager

¹ FEM (Remittance of Assets) Regulations, 2000 was repealed and replaced by FEM (Remittance of Assets) Regulations, 2016 with effect from April 1, 2016.

²Master Direction 13/2015-16 - Remittance of assets

1. Introduction

The Regulations for remittance outside India of assets in India by a person, whether resident in India or not, are laid down in the [Notification No. FEMA 13/2000-RB dated May 3, 2000](#), as amended from time to time.

2. Definitions

Some key terms used in the regulations are given below:

2.1 'Remittance of assets' means remittance outside India of funds in a deposit with a bank/ firm/ company, provident fund balance or superannuation benefits, amount of claim or maturity proceeds of insurance policy, sale proceeds of shares, securities, immovable property or any other asset held in India in accordance with the provisions of the Foreign Exchange Management Act, 1999 (FEMA) or rules/ regulations made under FEMA.

2.2 'Non-Resident Indian' (NRI) means a person resident outside India who is a citizen of India.

2.3 ³A 'Person of Indian Origin (PIO)' is a person resident outside India who is a citizen of any country other than Bangladesh or Pakistan or such other country as may be specified by the Central Government, satisfying the following conditions:

- a) Who was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or
- b) Who belonged to a territory that became part of India after the 15th day of August, 1947; or
- c) Who is a child or a grandchild or a great grandchild of a citizen of India or of a person referred to in clause (a) or (b); or
- d) Who is a spouse of foreign origin of a citizen of India or spouse of foreign origin of a person referred to in clause (a) or (b) or (c)

Explanation: PIO will include an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955.

² Updated up to April 28, 2016 (cf. [AP \(DIR Series\) circular No 64/2015-16/\[\(1\)/13\(R\)\] dated April 28, 2016](#). The Original [Master Direction No. 12/2015-16](#) was issued on January 1, 2016

³ Inserted vide FEM (Remittance of Assets) Regulations, 2016 dated April 1, 2016 and [A.P.\(DIR Series\) Circular No. 64/2015-16 \[\(1\)/13\(R\)\] dated 28.04.2016](#). Prior to insertion it read as "Person of Indian Origin' (PIO) means a citizen of any country other than Bangladesh or Pakistan who had (a) at any time held Indian passport or (b) he or either of his parents or any of his grandparents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955; or (c) the person is a spouse of an Indian citizen or a person referred to in (a) or (b)."

2.4 'Authorised Dealer' (AD) means a person authorised as an authorised dealer under subsection (1) of section 10 of the Act.

2.5 'Expatriate staff' is a person whose provident/ superannuation/ pension fund is maintained outside India by his principal employer outside India.

2.6 'Not permanently resident' is a person resident in India for employment of a specified duration or for a specific job/ assignment, the duration of which is not more than three years.

3. Remittance of assets permitted under the regulations

3.1 Remittances by individuals not being NRIs/ PIOs

ADs may allow remittance of assets by a foreign national where:

- (i) the person has retired from employment in India;
- (ii) the person has inherited from a person referred to in section 6(5) of the Act;
- (iii) the person is a non-resident widow/⁴widower and has inherited assets from her/his deceased spouse who was an Indian national resident in India.

The remittance should not exceed USD one million per financial year. This limit, however, will not cover sale proceeds of assets held on repatriation basis. In case the remittance is made in more than one instalment, the remittance of all instalments should be made through the same AD on submission of documentary evidence.

- (iv) the remittance is in respect of balances held in a bank account by a foreign student who has completed his/ her studies, provided such balance represents proceeds of remittances received from abroad through normal banking channels or rupee proceeds of foreign exchange brought by such person and sold to an authorised dealer or out of stipend/ scholarship received from the Government or any organisation in India.

These facilities are not available for citizens of Nepal or Bhutan or a PIO.

3.2 Remittances by NRIs/ PIOs

ADs may allow NRIs/ PIOs, on submission of documentary evidence, to remit up to USD one million, per financial year:

- (i) out of balances in their non-resident (ordinary) (NRO) accounts/ sale proceeds of assets/ assets acquired in India by way of inheritance/ legacy;

⁴ Inserted vide FEM (Remittance of Assets), Regulations 2016 dated April 1, 2016 and [A.P.\(DIR Series\) Circular No. 64/2015-16 \[\(1\)/13\(R\)\] dated 28.04.2016](#).

- (ii) in respect of assets acquired under a deed of settlement made by either of his/ her parents or a relative as defined in Companies Act, 2013. The settlement should take effect on the death of the settler;
- (iii) in case settlement is done without retaining any life interest in the property i.e. during the lifetime of the owner/ parent, it would tantamount to regular transfer by way of gift and the remittance of sale proceeds of such property would be guided by the extant instructions on remittance of balance in the NRO account;

In case the remittance is made in more than one instalment, the remittance of all instalments should be made through the same AD.⁵ where the remittance is to be made from the balances held in the NRO account, the Authorised Dealer should obtain an undertaking from the account holder stating that “the said remittance is sought to be made out of the remitter’s balances held in the account arising from his/ her legitimate receivables in India and not by borrowing from any other person or a transfer from any other NRO account and if such is found to be the case, the account holder will render himself/ herself liable for penal action under FEMA.”

3.3 Remittances by companies/ entities

3.3.1 ADs may allow remittances by Indian companies under liquidation on directions issued by a Court in India/ orders issued by official liquidator in case of voluntary winding up on submission of:

- (a) Auditor's certificate confirming that all liabilities in India have been either fully paid or adequately provided for.
- (b) Auditor's certificate to the effect that the winding up is in accordance with the provisions of the Companies Act, 1956.
- (c) In case of winding up otherwise than by a court, an auditor's certificate to the effect that there are no legal proceedings pending in any court in India against the applicant or the company under liquidation and there is no legal impediment in permitting the remittance.

3.3.2 ADs may also allow Indian entities to remit their contribution towards the provident fund/ superannuation/ pension fund in respect of their expatriate staff resident but “not permanently resident” in India.

⁵ Inserted vide FEM (Remittance of Assets) Regulations, 2016 dated April 1, 2016 and [A.P.\(DIR Series\) Circular No. 64/2015-16 \[\(1\)/13\(R\)\] dated 28.04.2016](#).

3.4 Remittances/ winding up proceeds of branch/ office

ADs may permit remittance of assets on closure or remittance of winding up proceeds of branch office/ liaison office (other than project office) on submission of the following documents:

- (i) A copy of the Reserve Bank's permission for establishing the branch/ office in India.
- (ii) Auditor's certificate:
 - (a) indicating the manner in which the remittable amount has been arrived and supported by a statement of assets and liabilities of the applicant, and indicating the manner of disposal of assets;
 - (b) confirming that all liabilities in India including arrears of gratuity and other benefits to the employees etc., of the branch/ office have been either fully met or adequately provided for;
 - (c) confirming that no income accruing from sources outside India (including proceeds of exports) has remained un-repatriated to India;
 - (d) confirming that the branch/office has complied with all regulatory requirements stipulated by the Reserve Bank of India from time to time regarding functioning of such offices in India;
- (iii) a confirmation from the applicant that no legal proceedings are pending in any Court in India and there is no legal impediment to the remittance; and
- (iv) a report from the Registrar of Companies regarding compliance with the provisions of the Companies Act, 2013, in case of winding up of the office in India.

4. Remittance of assets requiring RBI approval

4.1 Prior approval of the Reserve Bank is necessary for remittance of assets where:

- a) Remittance is in excess of USD 1,000,000 (US Dollar One million only) per financial year (i) on account of legacy, bequest or inheritance to a citizen of foreign state, resident outside India; (ii) by NRIs/ PIOs out of the balances held in NRO accounts/ sale proceeds of assets/ the assets acquired by way of inheritance/ legacy.
- b) Hardship will be caused to a person if remittance from India is not made to such a person.

4.2 Remittance of funds from the sale of assets in India held by a person, whether resident in or outside India, not covered under the directions stipulated above will require approval of the Reserve Bank.

5. Income-tax clearance

The remittances are subject to payment of applicable taxes in India. Reserve Bank of India will not issue any instructions under FEMA clarifying tax issues. It shall be mandatory on the part of Authorised Dealers to comply with the requirement of tax laws, as applicable.

APPENDIX

List of notifications/ circulars which have been consolidated in this Master Direction

SI No	Notification/ Circular	Date
1	⁶ FEMA 13(R)/2016-RB	April 1, 2016
2	⁷ A.P.(DIR Series) Circular No. 64/2015-16 [(1)/13(R)]	April 28, 2016

⁶ [FEMA 13/2000-RB dated May 3, 2000](#) and all the amendments thereto repealed and replaced by [FEMA 13\(R\)/2016-RB dated April 1, 2016](#)

⁷ All the A.P.(Dir Series) Circulars issued in respect of Remittance of Assets have been replaced by [A.P.\(DIR Series\) Circular No. 64/2015-16 \[\(1\)/13\(R\)\] dated April 28, 2016.](#)