

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3101
ANSWERED ON:08.12.2000
OUTFLOW OF FOREIGN EXCHANGE
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Will the Minister of FINANCE be pleased to state:

- (a) whether those visiting foreign countries are allowed to carry the foreign exchange for a period of one year;
- (b) if so, the quantum of foreign exchange allowed to be carried for a period of one year;
- (c) whether the Government have estimated the quantum of foreign exchange going out of the country through this channel; and
- (d) if so, the estimated quantum of foreign exchange outflow from the country through this channel during the last two years?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (BALASAHEB VIKHE PATIL)

(a) & (b): In terms of the Notification G.S.R. 381(E) dated May 3rd, 2000 authorised persons can release foreign exchange for visits abroad:

1. Not exceeding US\$ 5,000/- or its equivalent in one calendar year, for one or more private visits to any country (except Nepal and Bhutan).
2. Not exceeding US\$ 5,000/- for persons going abroad for employment.
3. For medical treatment not exceeding the estimate from the doctor in India or hospital/doctor abroad.
4. Not exceeding US\$ 25,000/- to a person, irrespective of period of stay, for business travel, or specialised training. There is no restriction on the number of business trips.

Release of foreign exchange exceeding the above limits require prior approval of Reserve Bank of India. However, this Rule shall not apply where the payment is made out of funds held in Resident Foreign Currency (RFC) Account or Exchange Earner's Foreign Currency (EEFC) Account of the remitter.

However, unspent foreign exchange brought back to India by a traveller has to be surrendered to an authorised person against payment in rupees within 90 days from the date of return of the traveller if the unspent foreign exchange is in the form of currency notes and within 180 days in case of travellers cheques etc.

(c): As the above Rule has been effective from June 01, 2000 under the FEMA, 1999, and authorised persons all over India can release foreign exchange, it is too early to assess the foreign exchange outgo on this account.

(d) Foreign Exchange released under travel abroad for various purposes under FERA, 1973 was of the order of Rs. 7,326 crores and Rs. 9,268 crores during the financial year 1998-99 and 1999-2000 respectively.