

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4113
ANSWERED ON:20.03.2015
BAN ON HIGH DENOMINATION NOTES
Maragatham Smt. K.

Will the Minister of FINANCE be pleased to state:

- (a) whether a ban was enforced by Reserve Bank of India (RBI) on carrying higher denomination notes to Nepal and Bhutan;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether RBI has decided to lift the said ban; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) & (b): Reserve Bank of India (RBI) has informed that prior to 16.12.2014, in terms of regulation 8 (i) of Foreign Exchange Management (Export and Import of Currency) Regulations, 2000, a person was permitted to:

"take or send out of India to Nepal or Bhutan, currency notes of Government of India and Reserve Bank of India notes (other than notes of denominations of above Rs.100/- in either case)".

The main reason for not permitting higher denomination notes to be taken to Nepal /Bhutan was the security concerns about Fake Indian Currency Notes.

(c) & (d): With effect from 16.12.2014, the regulation 8

(i) Foreign Exchange Management (Export and Import of Currency) regulations, 2000 has been amended by Foreign Exchange Management (Export and Import of Currency) (Second Amendment) regulations, 2014 and accordingly, a person may:

"take or send out of India to Nepal or Bhutan, currency notes of Government of India and Reserve Bank of India notes (other than notes of denominations of above Rs.100/- in either case);

Provided that an individual travelling from India to Nepal or Bhutan can carry Reserve Bank of India currency notes of denomination Rs.500/- and/or Rs.1000/- up to a limit of Rs.25000/-"