

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3316
ANSWERED ON:05.08.2016
Bank Account of Nepal Citizens
Girri Shri Maheish;Rajbhar Shri Hari Narayan

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any proposal to allow Nepalese residing in India to open bank accounts in Indian banks on the basis of their local identity cards;
- (b) if so, the details thereof;
- (c) whether the Government is aware that malpractices which may occur due to forgery in documents; and
- (d) if so, the details thereof along with the steps taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) to (b): In terms of regulation 4(4) of Notification No FEMA 5/2000-RB dated May 3, 2000, as amended from time to time, persons resident in Nepal can open accounts in rupees with an authorized dealer in India. The identification papers issued by Nepalese authorities such as Nepalese Citizenship Card and Identity Card issued by local bodies like Gram Vikas Samiti of Government of Nepal are not "Officially Valid Documents (OVDs)" for opening of bank accounts in terms of para 2(d) of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005.

(c) to (d): Malpractices with regard to forgery of documents in the process of opening of accounts or KYC documentation are dealt with as per the relevant provisions of law.
