

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 2300**

TO BE ANSWERED ON MONDAY, JULY 8, 2019/ ASHADHA 17, 1941 (SAKA)

MISUSE OF LIBERALISED REMITTANCE SCHEME

2300: SHRI P K KUNHALIKUTTY

Will the Minister of **FINANCE** be pleased to state:

(a) whether it is a fact that Indian residents can send upto \$ 2,50,000 per year to their relatives/ friends under the RBI's Liberalised Remittance Scheme (LRS);

(b) if so, the details thereof;

(c) whether the RBI and the Enforcement Directorate have received complaints of misuse of scheme by sending money under LRS but used for business purposes abroad; and

(d) if so, details thereof and the action taken against Indian nationals for misusing LRS under FEMA and other Money Laundering Laws?

ANSWER

**MINISTER OF STATE FOR FINANCE
(SHRI ANURAG SINGH THAKUR)**

(a) & (b): Yes Sir. In terms of Foreign Exchange Department Master Direction No. 7/2015-16 dated January 01, 2016 (updated as on June 20, 2018) on Liberalised Remittance Scheme (LRS), residential individuals are allowed to remit up to USD 2,50,000 per financial year under LRS for various permitted capital and current account transactions viz. opening of foreign currency account abroad, purchase of property abroad, making investment abroad, setting up Wholly Owned Subsidiaries and Joint Ventures abroad, extending loans in rupees to NRI relatives, private visits, gift, donation, employment abroad, emigration, maintenance of close relatives abroad, business trips, medical treatment abroad and studies abroad.

(c) & (d): Foreign Exchange Department, Reserve Bank of India, has not received any such specific complaint as per records. Enforcement Directorate has registered 10 cases under Foreign Exchange Management Act, 1999 (FEMA). Disclosure of details of these cases may not be in larger public interest as the same may adversely impact the ongoing investigation.
