

FEMA ke FUNDAE

**Possession and Retention of
Foreign Currency**

#FamiliarwithFEMA

Date : 16.November.2022

Jain Shrimal & Co.

Issue No. : 23



Priya
A Resident individual

Hello FEMA Gyani , I have one Question For you .

Yes Priya ,
Please ask .



The FEMA Gyani



Priya

I like to Travel worldwide & Collect the Foreign Currency . You will be Surprised to know that I have currencies of more than 15 countries as of now. But Yesterday, when I told this to my father , he said that as per FEMA regulation , there might be some restrictions to possess & retain Foreign Currency . Is that true ?

Yes Priya , there is a FEMA Regulation Known as Foreign Exchange Management (Possession and Retention of Foreign Currency) Regulations, 2015. This Regulation put Some Restriction on Possession and Retention of Foreign Currency .



The FEMA Gyani





Priya

Oh!! That's mean , I can't possess & Retain the Foreign Currency ?



No , Priya . You can keep the Foreign Currency but there is a Limit prescribed for possession and retention of foreign currency under this regulation.



The FEMA Gyani



Priya

FEMA Gyani ,Can You Explain more about such regulation ?

Sure Priya , Why not .



The FEMA Gyani



Priya

Firstly , let me clear you that the Restriction is only for Physical possession and Retention of Foreign currency . But You can keep the Foreign Currency in Resident Foreign Currency (RFC) Domestic Account without any limit.



The FEMA Gyani

Ok. What is the limit for physical possession and retention of foreign currency?

Priya, You can Retain the foreign coins without any limit . You can also Retain foreign currency notes, bank notes and foreign currency travellers' cheques but that should be received only through the certain Specified Ways and their value should not Exceed USD 2,000 or its Equivalent in aggregate .

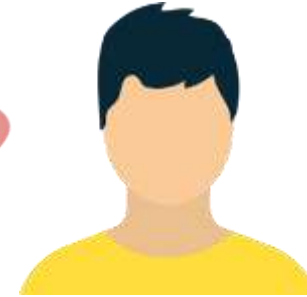


The FEMA Gyani



Priya

Okay . What are the Specified ways ?



The FEMA Gyani

Priya ,the Specified ways are :-

If a person visit a place outside India and receive the foreign currency by way of payment for Services .

Received from NRI , who visit India, and give you the foreign currency as honorarium or gift or for services rendered or in settlement of any lawful obligation.

A Person can also acquire the Foreign currency by way of honorarium or gift while on a visit to any place outside India.

A Person can also keep the unspent amount of foreign exchange , which was acquired by him from an authorised person for travel abroad.



Priya

Okay. I have one more Question, FEMA Gyani. My Friend , Priyanka ,is a American Citizen but staying in India for her Business Project For last 9 months . She has more than USD 2,000. Whether she is eligible to retain such a higher amount of Foreign Currency ?



Yes Priya , If a person comes to India for employment for a specified duration or for a specific job or assignment, then he/she may possess the Foreign currency without any limit but the duration of such employment should not exceed three years.



The FEMA Gyani



Priya

Okay. Thank You Mr. FEMA Gyani. Now I got clarity regarding all my queries.

Okay Priya. It was a pleasure helping you.



The FEMA Gyani

Thank You!

Let's meet every
Wednesday.

To make you more familiar with FEMA,
we are happy to listen to your

Comments

Feedbacks

Suggestions



The FEMA Gyani

Jain Shrimal & Co.

Disclaimer

- ❑ This presentation has been prepared on the basis of information available in the public domain and is intended for guidance purposes only.
- ❑ Jain Shrimal & Co. has taken reasonable care to ensure that the information in this presentation is accurate. It however accepts no legal responsibility for any consequential incidents that may arise from errors or omissions contained in this presentation.
- ❑ This presentation is based on the information available with us at the time of preparing the same, all of which are subject to changes which may, directly or indirectly impact the information and statements given in this presentation.
- ❑ Neither Jain Shrimal & co., nor any person associated with us will be responsible for any loss however sustained by any person or entity who relies on this presentation. Interested parties are strongly advised to examine their precise requirements for themselves, form their own judgments and seek appropriate professional advice.