

# FEMA Ke Fundae

#FamiliarwithFEMA

**Special Non-Resident  
Rupee (SNRR) Account**

Issue No : 58

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Tyler (US Citizen)

Hey! Mr. FEMA Gyani. I am Tyler and I am a **resident of USA**, I am planning to export goods to India and my customers are demanding to make payment in INR and I cannot receive such INR payment in my US Bank Account. Is there any other way to receive such payment?

Yes Tyler, any person **resident outside India having a business interest in India, may open Special Non-Resident Rupee Account (SNRR Account)** with an authorized dealer for the purpose of putting bona fide transactions in rupees and the SNRR Account shall **carry the nomenclature of the specific business** for which the account is in operation. It means the account should be **opened in the name of business**.



The FEMA Gyani



Tyler (US Citizen)

Oh! And what happens to the SNRR Account if someday I **become a resident of India?**

Then, in that case, **SNRR Account** maybe **designated as resident rupee account.**



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Tyler (US Citizen)

Okay, But, Apart from generic business interest, Can such account be used for my **personal transactions** in INR?

No, Tyler. SNRR Account **cannot be used** for the purpose of making **personal transactions**. However, it can be used for certain **other purposes**. Let's discuss in detail.



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Apart, from generic business interest, the **business interest** shall include the **following INR transactions:**

**1**

Investments made in India with FEM(NDI) Rules, 2019



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**2**

Import and Export of goods and services

**3**

Trade Credit transactions and lending under External Commercial Borrowings (ECB)

**4**

Business related transactions outside International Financial Service Centre (IFSC) by IFSC units like INR amount from sale of scrap.



Tyler (US Citizen)

Alright! And at which rate would I receive **interest** on such SNRR Account?

You will not receive any interest on such account because **SNRR Account shall not bear any interest.**



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Tyler (US Citizen)

Oh Okay. Can I **repatriate the balance left** in the SNRR Account to my home country?

**Yes**, the balances in the SNRR Account are eligible for repatriation.



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**Tyler (US Citizen)**

Okay. One last query Mr. FEMA Gyani. My friend is a **citizen of Bangladesh** and he also wants to do his business transactions in India, is he also **eligible to open the SNRR Account**?

Yes Tyler. Your friend **can open** the SNRR Account in India **subject to prior approval** of Reserve Bank of India because the citizens of Pakistan and Bangladesh and entities incorporated in Pakistan and Bangladesh **requires prior approval of RBI**.



**The FEMA Gyani**

Thank You Mr. FEMA Gyani for resolving all my queries.



**Tyler (US Citizen)**



# Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



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