

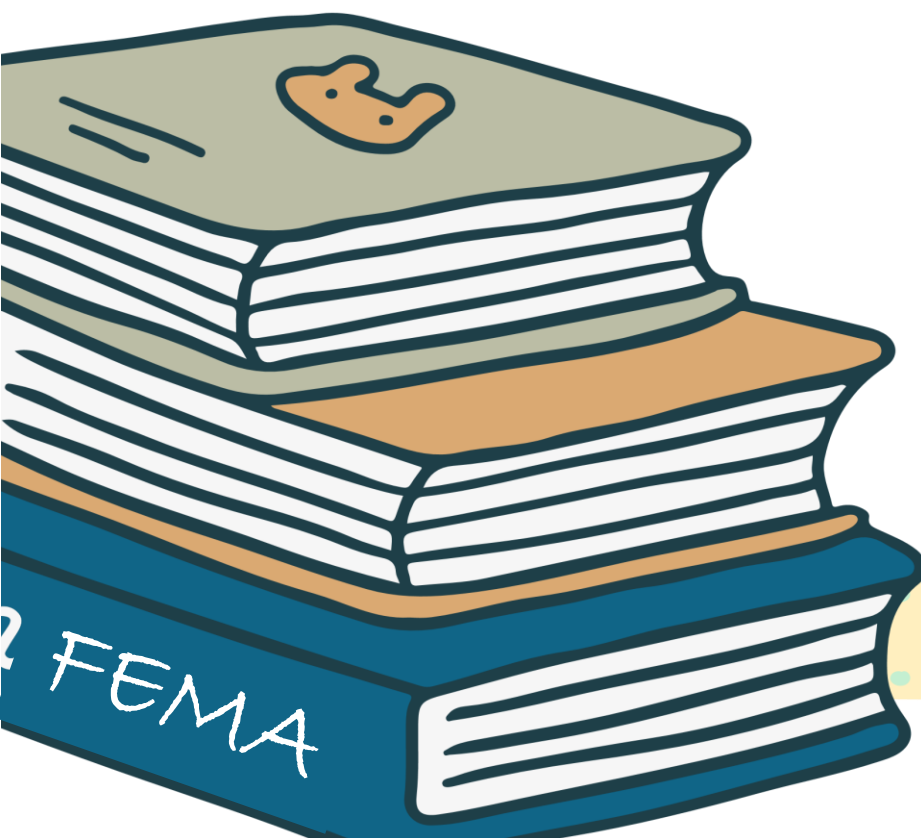
# FEMA Ke Fundae

#FamiliarwithFEMA

**Exchange  
Earners Foreign  
Currency (EEFC)**

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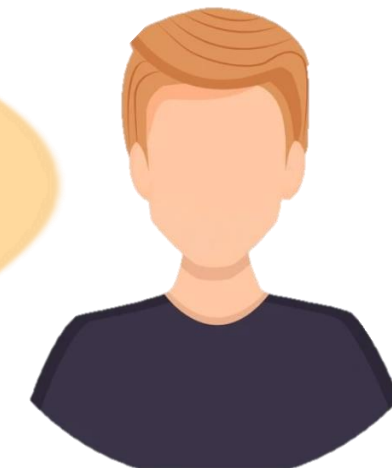


**Lalit**  
Resident Indian

Hello Mr. FEMA Gyani, I am Lalit, and I have a marble export business. I am looking to boost my export business and have heard about EEFC (Exchange Earners Foreign Currency) accounts. Can you tell me more about them?



Sure, Lalit! An EEFC account is a special type of bank account where you can hold your foreign earnings in currency like USD, EUR or others. It's a great way to avoid conversion hassles and save on transaction costs.



**The FEMA Gyani**

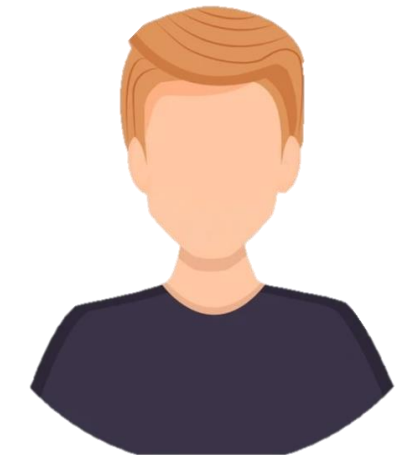




**Lalit**  
**Resident Indian**

That sounds perfect! Who can open an EEFC account?

An EEFC account can be opened by any exchange earner, such as those involved in the export business like yours. You can even have a joint account with eligible individuals, like your spouse or close relatives.



**The FEMA Gyani**

Interesting. What kind of transactions can I do with this account?

It's a current account, so it's good for everyday business activities. There are also some permissible transactions which is mentioning below.



**Lalit**  
**Resident Indian**



1

100% of foreign exchange received on account of export transactions.

2

advance remittance received by an exporter towards export of goods or services

3

Repayment of loans given to foreign importers

4

Professional earnings like director's/ consultancy/ lecture fees, honorarium and similar other earnings received by a professional by rendering services in his individual capacity

5

Interest earned on the funds held in the account

6

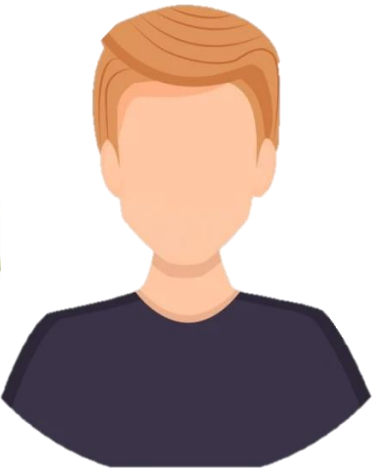
Disinvestment proceeds on conversion of ADR/ GDR

7

Re-credit of unutilised foreign currency earlier withdrawn from the account

8

Payments received in foreign exchange by an Indian startup arising out of sales/ export made by the startup or its overseas subsidiaries



**The FEMA Gyani**

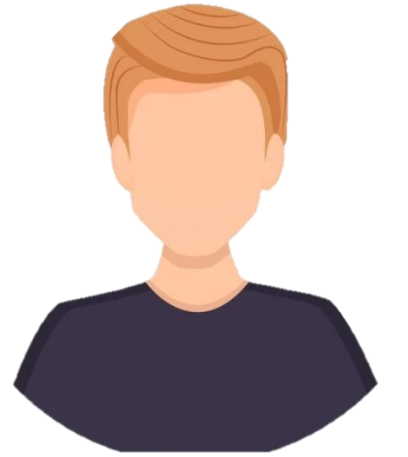




**Lalit**  
**Resident Indian**

Oh, That covers most things. But what about using the funds?

You can use them for any approved current or capital account transactions. Such as:



**The FEMA Gyani**

**1**  
Trade related  
loans and  
advances

**2**  
Cost of goods  
purchased

**3**  
Customs duty

**4**  
payment in foreign  
exchange to a person  
resident in India for supply  
of goods/ services including  
payments for air fare and  
hotel expenditure

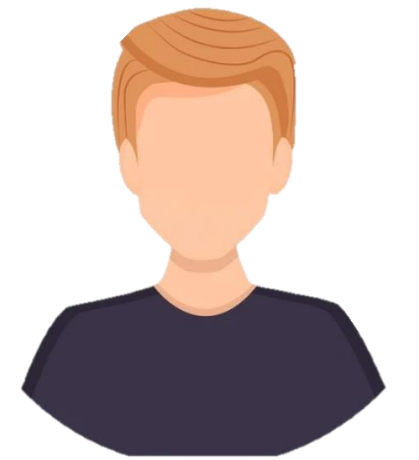




**Lalit**  
**Resident Indian**

This sounds very helpful, Fema Gyani. What happens if I move abroad in the future?

No worries, Lalit. You can easily transfer the remaining balance in your EEFC account to an NRE or FCNR (B) account, depending on your preference. These accounts are meant for Non-Resident Indians.



**The FEMA Gyani**

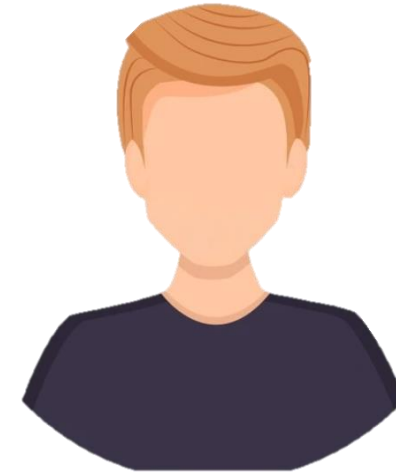
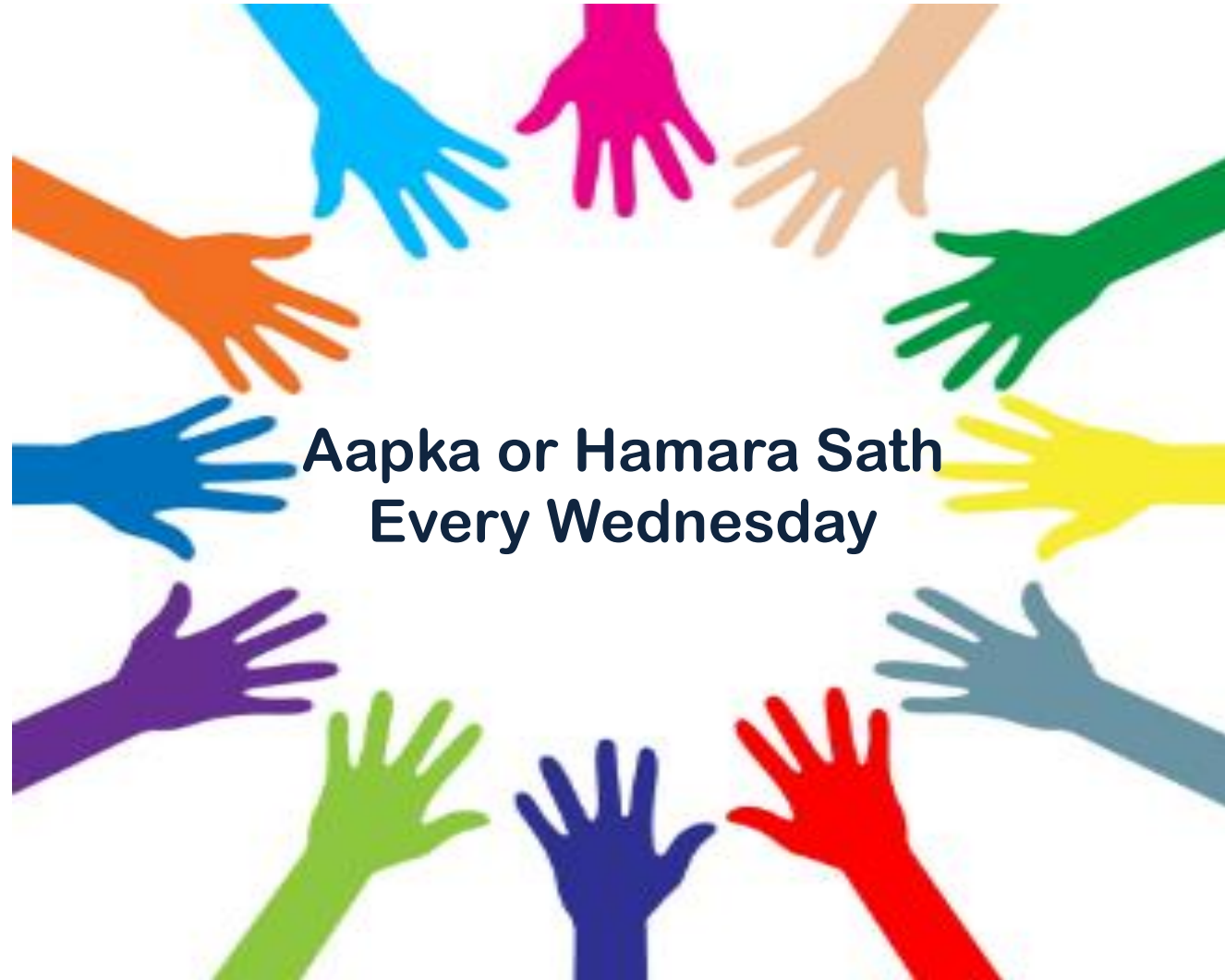


**Lalit**  
**Resident Indian**

Excellent! Thanks for explaining everything so clearly, Fema Gyani.



# Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



<https://in.linkedin.com/company/jsoca>

WEBSITE

<https://jainshrimal.com/>



International Tax Gyan     
WhatsApp group



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