

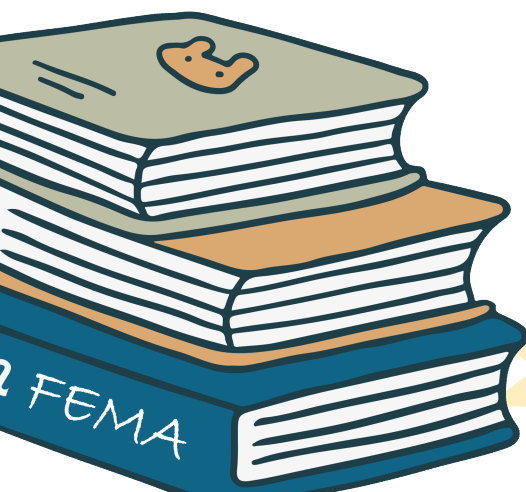
JAIN SHRIMAL & CO.

FEMA Ke Fundae

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Diamond Dollar
Account
(DDA)



Date: 20th November, 2024

Issue no: 127

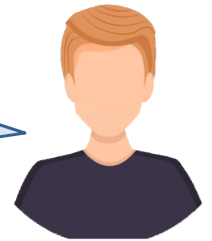




Mr Tanwar

Hello Mr FEMA Gyani. Hope you're doing well. I am the director of Dyore Diamonds Ltd. We are about to commence our diamond export business. For that I want to seek your guidance regarding the appropriate type of account in which we can realize the proceeds from our sales in foreign currency.

Hello Mr. Tanwar! I am doing well. There is a **Diamond Dollar Account (DDA) Scheme**, in which you can open DDA Account , which is a **current account maintained in US dollars**. This account can be opened by Firms and companies, which import or export rough or cut and polished diamonds, through AD banks in India.



The FEMA Gyani

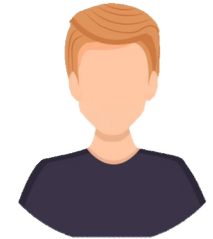
Ohh that's great! I would be interested to know little more about this scheme/account.



Mr Tanwar



Okay, Mr. Tanwar. I will explain you some salient features of this scheme:



The FEMA Gyani

Diamond Dollar Account Scheme-

1

You can **realize the export proceeds and local sales (in USD)** of rough, cut , polished diamonds; and avail **pre-post shipment finance in USD**.

2

Payments for purchase of rough, cut and polished diamonds can be made from DDA Account.

3

The account is maintained in the form of **non-interest bearing current account**.

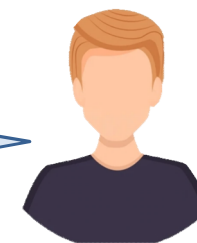




Mr Tanwar

Interesting. But if I want to organize international events. Can I use this foreign currency account?

Definitely! You can use this account **to receive registration fees, grants, and sponsorships from overseas participants. The funds can also be used to pay for expenses related to the event**, such as travel and accommodation for foreign guests.



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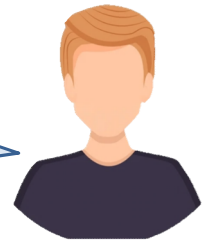


Mr Tanwar

The information provided by you regarding DDA account is very useful. But out of curiosity, I want to ask a question. Can foreign currency accounts be opened by other types of businesses in India?



Yes, they can, but with certain conditions. For example, **shipping and airline companies** can maintain accounts **to cover their local expenses**. **Ship-manning agencies** can have accounts for **managing their ships and crew**. And **project offices of foreign companies** can **open accounts for their projects** in India.



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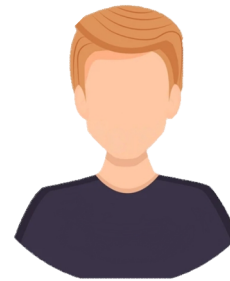


Mr Tanwar

Thank you FEMA Gyani for giving proper understanding of this account.



Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



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

WEBSITE

<https://jainshrimal.com/>



International Tax Gyan
WhatsApp group



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