

ROYAL MONETARY AUTHORITY OF BHUTAN

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FOREIGN EXCHANGE OPERATIONAL GUIDELINES 2018

DEPARTMENT OF FOREIGN EXCHANGE AND RESERVE MANAGEMENT

In exercise of the powers conferred by Section 5 of the Foreign Exchange Rules and Regulations 2018, the Royal Monetary Authority of Bhutan here by adopt this Guideline for the effective implementation of Foreign Exchange Rules and Regulations 2018.

1. SHORT TITLE, EXTENT, AND COMMENCEMENT

These Operational Guidelines shall:

- a) Be cited as the Foreign Exchange Operational Guidelines 2018;
- b) Extend to the whole of the Kingdom of Bhutan;
- c) Come into force with effect from July 1, 2018.

2. RULES OF CONSTRUCTION

In these guidelines unless the context indicates otherwise, the singular shall include plural and the masculine gender shall include the feminine gender hereafter.

3. AUTHORITY AND INTERPRETATION

The RMA may issue notification, order and clarification in the form of circular from time to time as may be necessary to give effect and implement this guideline. This guideline shall be guided by the Foreign Exchange Rules and Regulations 2018 and may be read in conjunction with it.

4. OBJECTIVE

This guideline shall define the limit, terms and condition for the permitted operation of foreign exchange transactions by the authorized bank as per the Foreign Exchange Rules and Regulations 2018.

5. DEFINITIONS

In this guideline, unless the context otherwise requires, it shall have the same meaning as defined in the Foreign Exchange Rules and Regulations 2018.

6. PENALTY:

A person failing to comply with any of the provisions specified in this guideline including the failure to submit reports on time shall be liable for appropriate penalties specified under Foreign Exchange Rules and Regulations 2018.

7. CURRENT TRANSACTIONS

- a) Payment, receipt and transfer for current transaction specified under Chapter VI B of the Foreign Exchange Rules and Regulations 2018 may be made and received freely through normal banking channel with India and third country, subject to the condition specified herein;
- b) Any other current transactions payment not explicitly provided and in excess of the limit prescribed herein shall not be made except with the prior approval of the RMA. Respective bank shall forward the application to the Department with the endorsement letter stating the reason for forwarding. RMA's approval of such transactions shall be provided upon verification of the bona fide of the transaction.
- c) Payment, receipt, and transfer for prohibited transaction by the Royal government shall not be allowed.

8. GOODS AND SERVICES-INDIA

- a) Payment, receipt and transfer for import and export of goods and services with India may be made and received freely through normal banking channel;
- b) An authorized bank shall ensure that receipt and payment for trade in goods and services with India is received and paid in Indian Rupee through normal banking channel within 91 days from the date of export and import of the goods or services or as per the letter of credit;
- c) An authorized bank shall not execute any payment not executed in 91 days (up to 2 years) unless otherwise approved by the RMA. RMA's approval of such transaction shall be provided upon the verification of the bona fide of the transaction;
- d) An authorized bank may execute advance payment for import of goods or services from India, where the contract so requires. For such payment, an authorized bank shall ensure that the full payment is paid or received within 91 days from the date of import and export;
- e) The payments may be made or received by debit or credit to their respective account maintained with the bank; and

- f) Documents required:
 - (i) Performa Invoice stating the value and the account details of beneficiary (should be the importer or exporters account);
 - (ii) Customs declaration form; and
 - (iii) Any other documents required by the bank.

9. GOODS AND SERVICES-THIRD COUNTRIES

- a) Payment, receipt and transfer for import and export of goods and services with a third country may be made and received freely through normal banking channel, subject to following condition;
 - (i) For import of goods and services from third country, an authorized bank shall make remittances in convertible currency if a person has been granted an import license or any other document issued in lieu of an import license by the Royal Government of Bhutan or RMA.
- b) An authorized bank shall ensure that foreign exchange earnings from export of goods and services to a third country is received in convertible currency through normal banking channel within 91 days from the date of export or as per the letter of credit;
- c) An authorized bank may execute advance payment for import of goods or services from third country, where the contract so requires. For such payment, an importer must submit evidence of the goods having entered Bhutan within 91 days to the authorized bank at the time of making full payment; and
- d) Notwithstanding the above references to “convertible currency”, payment, receipts and transfers for goods and services to and from Nepal shall be made either in Indian Rupee or convertible currency, where the contract so requires.
- e) Documents required:
 - (i) Bank form;
 - (ii) Import license or any other document issued in lieu of an import license;

- (iii) Supplier's invoice or other documentary evidence showing the c.i.f. value of the goods to be imported; and
- (iv) Any other documents required by the bank.

10. FREIGHT Charges AND TRANSPORTATION COST

- a) Freight charges shall mean charges paid for carriage or transportation of goods by land, air or sea. It would include both freight-prepaid (freight paid before the arrival/dispatch of goods or freight-collect basis (freight paid after receipt of goods);
- b) Freight and transportation cost for import and export of goods by land, air, or sea shall be remitted in foreign currency to the service providers account through the banking channel;
- c) Notwithstanding, Section 10(b) a person may be approved to obtain Indian Rupee in cash for freight for import or export of goods via land in accordance with *Annexure-II*.
- d) Documents required:
 - (i) Bank form;
 - (ii) Invoice specifying the amount and account number of the beneficiary (service providers account);
 - (iii) Copy of import license or any document issued in lieu of import license by the Ministry of Economic Affairs for import from third country via sea;
 - (iv) For obtaining INR cash, documents such as copy of trade license; customs declaration and any other documents required by the banks; and
 - (v) Any other documentary evidence required by the bank.

11. AIR TICKETS/TOUR PACKAGE FOR TRAVEL

- a) Cost of air tickets/tour packages for travel abroad by person residing in Bhutan shall be remitted in foreign currency to the hotel/travel agent/ticketing agent abroad through the banking channel;

- b) Notwithstanding, Section 11(a), Bhutanese tour operators may be approved to obtain Indian Rupee in cash per bus to meet en-route expenses in accordance to *Annexure -II*.
- c) Documents required:
 - (i) Bank form;
 - (ii) Invoice specifying the particulars of traveler such as name, passport/CID number, date of travel and amount of fare collected, beneficiary account number (service providers account);
 - (iii) Valid ticketing license/copy of tender awarded to the ticketing agent in case of Royal Government of Bhutan and other agencies; and
 - (iv) Any other documentary evidence required by the bank.

12. OFFICIAL TRAVEL

- a) Travel by official or member of official delegation of the Royal Government of Bhutan including its ministry, department, or agency which is financed by the Royal Government of Bhutan, external donor or sponsor, or out of the fund of externally financed project, shall be regarded as official travel;
- b) An authorized bank may release daily subsistence allowance (DSA) in foreign currency cash for the duration of the travel in accordance with *Annexure-I & II*.
- c) For related cost, such as air fare, course fees, living expenses, stipend and any other related cost, an authorized bank may remit directly to the relevant institution's account or issue bank draft in lieu for the officials;
- d) Documents required;
 - (i) Authorization letter from respective agencies specifying details of travel including name of officials, duration, country of travel, and payment details;
 - (ii) Authorization to debit agency's account maintained with the bank or by way of a cheque drawn by the agency on such account;
 - (iii) Copy of air ticket;

- (iv) For related cost, relevant documents specifying the amount and beneficiary account number; and
- (v) Any other documentary evidence required by the bank.

13. BUSINESS TRAVEL

- a) Business travel shall mean travel by resident abroad, for carrying on registered business activity in Bhutan or employed by a Bhutanese firm, company or organization, for purposes associated primarily with the business such as export promotion, market study, attending seminar, conference, trade fair, or exhibition or for selection or import of capital good, machinery and raw material, etc.;
- b) An authorized bank may release daily subsistence allowance (DSA) and incidental expense in foreign currency cash for the duration of the travel in accordance with *Annexure-I & II*.
- c) For related cost, such as air fare, course fees, living expenses, stipend and any other related cost, an authorized bank may remit directly abroad to the relevant institution's account or issue bank draft in lieu for the officials by debit to the respective business account or foreign currency account (Foreign Direct Investment company's) maintained with the bank; and
- d) Documents required;
 - (i) Authorization letter from respective business specifying details of travel including name of officials, duration, country of travel, and payment details;
 - (ii) Authorization of travel by respective agency such as Tourism council of Bhutan for tour operators, Bhutan Chamber of Commerce and Industries for private business firm, company or organization;
 - (iii) Authorization to debit business account maintained with the bank or by way of a cheque drawn by the agency on such account;
 - (iv) Copy of air ticket;
 - (v) For related cost, relevant documents specifying the amount and beneficiary account number; and
 - (vi) Any other documentary evidence required by the bank.

14. MEDICAL RELATED TRAVEL

- a) Medical-related travel shall mean travel outside Bhutan by resident for purpose of medical treatment or examination, accompanied by one escort, if necessary, on the recommendation of a medical specialist;
- b) An authorized bank may release foreign currency cash per patient for India and third country as travel expenses for per medical travel in accordance with *Annexure-I & II*.
- c) For payment of treatment and expense related to medical treatment including medicine, an authorized bank may remit directly abroad to the medical institution's account or issue bank draft in lieu at the time of leaving Bhutan;
- d) Authorized bank may allow remittance of any additional cost of treatment, if it has exceeded the amount availed initially directly to the medical institution's account;
- e) Any family member or representative of the patient in Bhutan can submit the document to the bank to process the payment; and
- f) Documents required;
 - (i) Bank form;
 - (ii) For referral case, recommendation letter from JDWNRH;
 - (iii) For privately sponsored, previous medical documents/appointment letter/ or any other document evidencing the medical travel;
 - (iv) Copy of confirmed air ticket for third country;
 - (v) For remittance of related cost, relevant documents specifying the amount and medical institutions account number; and
 - (vi) Any other documentary evidence required by the bank.

15. EDUCATION RELATED TRAVEL

- a) Education-related travel shall mean travel outside Bhutan by resident for the purpose of undertaking or resuming a course of study or training;
- b) Resident person shall be any student including Government sponsored student;

- c) An authorized bank may release foreign currency cash for travel and stipend up to limit as follows as:
- (i) Travel expenses in foreign currency cash per student studying in India and third country in accordance with *Annexure-I & II*.
 - (ii) Stipend and living allowance for privately sponsored students in India and third country in accordance with *Annexure-I & II*.
 - (iii) However, a student may opt to remit through banking channel, or bank draft, or in the student card the eligible amount in foreign currency cash;
- d) For payment of tuition fee, course fees, and additional educational related expense including, such as rent, mess fees and etc. an authorized bank may remit directly abroad as follows:
- (i) To the educational institution's account for tuition, course fees, and other educational fees; or
 - (ii) To students account for personal allowance; or
 - (iii) Issue bank draft in lieu at the time of leaving Bhutan; or
 - (iv) Issue student card for the approved amount.
- e) Any family member or representative of the student in Bhutan can submit the document to the bank to process the payment; and
- f) Documents required;
- (i) Bank form;
 - (ii) For remittance of related cost, relevant documents specifying the amount and educational institutions account number;
 - (iii) Acceptance/letter of admission/Valid student card for continuing student;
 - (iv) Invoice for tuition/course fees/rent/mess fees and other educational expenses;
 - (v) For government sponsored students, authorization letter from respective agencies specifying details of travel including name of officials, duration, country of travel, payment details, and authorization to debit agency's account maintained with the bank or by way of a cheque drawn by the agency on such account;

- (vi) Confirmed air ticket/visa for travel to third country; and
- (vii) Any other documentary evidence required by the bank.

16. PRIVATE TRAVEL

- a) An authorized bank may release to resident of Bhutan, a travelling allowance, either in cash or merged on the international debit/credit card issued by the bank in accordance with *Annexure-I & II*.
- b) Documents required:
 - (i) Copy of confirmed air ticket/visa for travel to third country;
 - (ii) Copy of passport;
 - (iii) Copy of citizenship identity card/Marriage Certificate card for non-Bhutanese or any other proof of being resident in Bhutan; and
 - (iv) Any other documentary evidence required by the bank.

17. FAMILY REMITTANCES

- a) Family remittances shall mean remittance of savings/earnings by foreign workers employed in Bhutan to their family members abroad;
- b) An authorized bank may remit family remittances on behalf of foreign workers maintaining account with the bank to their family members abroad;
- c) An authorized bank shall ensure that the value of remittances does not exceed the foreign workers income (wages/salary) earned in Bhutan;
- d) If the foreign workers maintain FC account with the bank, the remittances shall be made by debit to the respective FC account;
- e) Notwithstanding 17 (b), an authorized bank may release in cash per worker to those Indian labours approved by the Ministry of Labour and Human Resources to be employed for construction works in accordance with *Annexure-I*: and
- f) Document required:
 - (i) Bank form;
 - (ii) For expatriates:
 - i. Proof of employment in Bhutan/letter from the employer;
 - ii. work permit issued by Department of Immigration; and

- iii. Salary statement if applicable.
- (iii) For labours employed for construction:
 - i. Valid labour permit issued by Ministry of Labour and Human Resource; and
 - ii. Copy of employer's CID.
- (iv) Document evidencing family relationship with the beneficiary; and
- (v) Any other documentary evidence required by the bank.

18.INSURANCE SERVICES

- a) Insurer licensed by the RMA may apply to remit foreign currency to make payment for current transaction related to insurance, reinsurance or retrocession product and service as allowed under Section 251 of the FSA 2011;
- b) Notwithstanding 18 (a), an insurance company licensed as FDI company shall make insurance related to insurance, reinsurance or retrocession product and services shall be made by debit to their FC account out of their own foreign exchange earnings; and
- c) An authorized bank shall not make any payment for any insurance business emanating within Bhutan except for the persons specified by the RMA from time to time.

19.PAYMENT FOR INVISIBLES

- a) Payment for invisibles shall mean payment for following fees:
 - (i) Subscription to foreign journal and publication;
 - (ii) Consultancy, technical, and legal fees;
 - (iii) Visa fee;
 - (iv) Brand marketing fee;
 - (v) Application fee to educational and training institutions abroad including testing fee;
 - (vi) Membership fee in professional and trade body; and
 - (vii) Any other fee determined by the RMA.

- b) An authorized bank may remit abroad on behalf of residents' payment for invisibles permitted under FERR 2018 based on the documentary evidence;
- c) An authorized bank shall ensure that the payment is made to the rightful beneficiary account;
- d) For payment of invisibles exceeding *Annexure-I* or its equivalent in convertible currency, prior approval of the RMA shall be obtained; and
- e) Documents required:
 - (i) Bank form;
 - (ii) Invoice for all fees;
 - (iii) A copy of approved agreement for consultancy/professional fees; and
 - (iv) Any other documentary evidence required by the bank.

20. PAYMENT FOR COMMUNICATION/INFORMATION AND TELE-COMMUNICATION SERVICES

- a) Payment for communication/information and telecommunication services shall mean payment by licensed telecommunication service providers and licensed information and technology service providers in Bhutan for import of telecommunication and IT related services;
- b) An authorized bank shall ensure that the payment is made by debit to respective business account and credit to relevant beneficiary; and
- c) Documents required:
 - (i) Bank form;
 - (ii) Performa invoice specifying the amount and beneficiary account number;
 - (iii) Import license for import of goods from third country via sea;
 - (iv) For import by government agency, authorization letter from respective agencies specifying details of import including amount, beneficiary details, and purpose;
 - (v) Authorization to debit agency's account maintained with the bank or by way of a cheque drawn by the agency on such account; and
 - (vi) Any other documentary evidence required by the bank

21. IMPORT OF PERMISSIBLE RAW MATERIALS AND CAPITAL GOODS

- a) Raw materials shall mean those items that are used as direct inputs in the manufacturing process and forming part of finished product;
- b) Capital goods shall mean goods that are used by an entity to help increase future production including plant and machinery;
- c) An authorized bank shall freely make remittances for import of raw materials and capital goods on behalf of an entity in Indian Rupee for import from India as allowed under FERR 2018;
- d) However, following entity with earning in convertible currency may be allowed to obtain convertible currency for import of raw of material from a third country with prior approval of the RMA:
 - (i) Local manufacturing industry with earning in convertible currency;
 - (ii) FDI Company approved by the Royal Government of Bhutan may be allowed to obtain convertible currency for import of raw of material from a third country with prior approval of the RMA:
 - (iii) An entity shall open and maintain a foreign currency account with an authorized bank in Bhutan to receive export proceeds, related income and make payment accruing from the entity's line of business in convertible currency;
 - (iv) An authorized bank shall upon request from an entity shall issue statement evidencing the net convertible currency earning (earnings net off expenses made) of the particular entity.
- e) Documents required:
 - (i) Bank form;
 - (ii) Performa Invoice;
 - (iii) Approval from the RMA for import from third country;
 - (iv) Import License issued by Ministry of Economic Affairs for import from third country; and
 - (v) Any other documentary evidence required by the bank.

22. PAYMENT FOR ROYAL GOVERNMENT OF BHUTAN, ITS AGENCIES AND PUBLIC-SECTOR ENTITIES

- a) Public sector entity shall mean Government Owned Corporation, Bhutanese NGO's, Civil Society Organization, and any other agency specified by RMA for this purpose;
- b) An authorized bank may make remittances on behalf of the Royal Government and its agency and public-sector entity in foreign currency for its own current transaction
- c) Prior to making such remittance, an authorized bank must receive the value of such remittance in Ngultrum through valid instruction to debit the account of the remitting institution or upon receipt of a crossed cheque or pay order drawn on the bank account;
- d) However, for payment requiring substantial foreign exchange, accruing to capital intensive project that is externally donor funded, an authorized bank shall make the payment only if the payment is approved by the RMA in line with the FERR 2018; and
- e) Documents required:
 - (i) Bank form;
 - (ii) Cover letter addressed to the bank signed by an authorized signatory indicating amount, currency, purpose of the remittance, name of the beneficiary abroad;
 - (iii) Invoice;
 - (iv) Import license for import from third country via sea; and
 - (v) Any other documentary evidence required by the authorized bank.

23. EXTERNAL COMMERCIAL BORROWING AND FOREIGN DIRECT INVESTMENT

- a) Entity approved by the Royal Government of Bhutan to avail external commercial borrowing from non-resident lenders and FDI entity shall meet its repayment obligations and all its operational expenses in convertible currency from its

earnings in foreign exchange through the foreign currency account opened and maintained with the bank;

- b) However, an authorized bank may remit the following payment for underlying current transactions on behalf of the entities specified under Section 22 (a) , if such payment is approved by the RMA;
 - (i) payment of interest and amortization on foreign currency loans in accordance with the Guidelines for ECB;
 - (ii) payment of royalty, technical service or management fee and charges in accordance with the respective agreement for such payment as approved by the Royal Government of Bhutan;
 - (iii) Repatriation of dividend as per the FDI policy; and
 - (iv) Any other payment in line with the FDI policy issued by the government.
- c) Documents required:
 - (i) Approval from the RMA wherever applicable;
 - (ii) Invoice stating the amount and beneficiary details;
 - (iii) Copy of FDI license issued by MoEA;
 - (iv) ECB Certificate issued by MoF; and
 - (v) Any other documents required by the bank.

24. FOREIGN CURRENCY ACCOUNTS IN BHUTAN

- a) The foreign currency account opened by persons specified in the FERR 2018 shall be of three types:
 - (i) FC I for Individual;
 - (ii) FC II for Entity; and
 - (iii) FC III for account opened under Inward Remittance Rule and regulation 2016.
- b) FCI shall mean foreign currency account opened by following individuals who have foreign exchange earnings in Bhutan:
 - (i) Staff of permanent diplomatic or consular missions of foreign government and international organization in Bhutan;
 - (ii) Staff of representative office of donor agency;

- (iii) Staff of third country contracting firm engaged to execute project approved by the Royal Government of Bhutan and financed by donor agency;
 - (iv) Individual Bhutanese citizens having earnings/remunerations in convertible currency in Bhutan; and
 - (v) Any other individual or category of individuals approved by the RMA;
- c) FC II shall mean foreign currency account opened by following entities:
- i) Permanent diplomatic or consular missions of foreign government and international organization in Bhutan;
 - ii) Representative office of donor agency;
 - iii) Third country contracting firm engaged to execute project approved by the Royal Government of Bhutan and financed by donor agency;
 - iv) Bhutanese manufacturing industry earning foreign currency;
 - v) Bhutanese exporters exporting goods and services to India and third country;
 - vi) person receiving grant, donation or similar inward remittance in convertible currency for project that have been approved by the Royal Government;
 - vii) FDI company approved by the Royal Government of Bhutan; and
 - viii) Any other entity approved by the RMA.

(ix) FC III shall mean foreign currency account opened by Non-Resident Bhutanese residing abroad for higher study, training, or employment abroad or having earning in foreign currency including foreign currency account opened under Remit Bhutan scheme. An authorized bank shall adhere to the Inward Remittance Rules and Regulations 2016 for operation and maintenance of this account.

25. GENERAL CONDITIONS FOR FOREIGN CURRENCY ACCOUNT IN BHUTAN:

An authorized bank shall abide by the following general and specified conditions for foreign currency account prescribed thereon:

- a) Notwithstanding section 24 (b) & (c) i & ii, a foreign currency account shall be opened with prior approval of the RMA;
- b) A person may be allowed to open multiple foreign currency account in convertible currency and Indian rupee with different authorized banks in Bhutan with prior approval from the RMA;
- d) An authorized bank shall ensure all payment and receipt in foreign currency is routed through the foreign currency account maintained with the bank;
- e) Cash deposit of foreign currency into the foreign currency account shall not be permitted unless otherwise approved by the RMA;
- f) Any conversion of convertible currency balances into local currency will be at the prevailing exchange rates;
- g) No cheque shall be issued by an authorized bank for any foreign currency account opened under this guideline; and
- h) Withdrawal from the foreign currency account in Bhutan shall be in Ngultrum only.
- i) The authorized officials of the RMA shall have direct access to information on foreign currency account

26. SPECIFIC CONDITIONS FOR FOREIGN CURRENCY ACCOUNT IN BHUTAN:

The foreign currency account opened under the FERR 2018 shall be subject to the general conditions specified under Section 25 above including the following specific conditions:

A. SPECIFIC CONDITIONS FOR FC I

- a) Permissible credit: The account must be funded through inward remittance or income by way of remuneration earned in convertible currency in Bhutan;

- b) Permissible debit: The banks shall permit withdrawal of cash for travel anytime outside Bhutan in accordance with *Annexure-I* and exceeding amount shall route through banking channel;
- c) The travel must be supported by documentary evidence such as copy of confirmed air-ticket and passport.
- d) The bank must close the foreign currency account at the end of contract period and permit the account holder for encashment in cash in accordance with *Annexure-I*. and the balance amount transferred abroad through banking channel; and
- e) Any credit/transfer between the foreign currency accounts maintained in Bhutan shall be allowed to be made in Ngultrum only.

B. SPECIFIC CONDITIONS FOR FC II

- a) The account must be in the name of an entity and shall be used exclusively to facilitate the foreign exchange transactions accruing to entity's line of business;
- b) Permissible credits: the account must be funded through inward remittances received by way of wire transfer, which may include:
 - i) Equity proceeds (FDI);
 - ii) Loan proceeds (External Commercial Borrowings);
 - iii) Export proceeds;
 - iv) Tour related remittances (FDI hotels and resorts); and
 - v) Any other inflows approved by the RMA
- c) Permissible debits: The bank shall permit the foreign currency account holder to make payment related to the entity's line of business including the following:
 - i) Current account transactions permitted under FERR 2018;
 - ii) Make payment of salary/wages and professional's fees in convertible currency to foreign nationals employed or hired by an entity in Bhutan. However, such payment must be made through account to account transaction from an entity's FC account to beneficiary's FC account maintained with an authorized bank in Bhutan; and

- d) When an entity ceases to operate, the account must be closed and the balance may be transferred to account abroad at the prevailing exchange rate.

C. SPECIFIC CONDITIONS FOR FC III

An authorized bank shall adhere to Inward Remittance Rules and Regulations 2016 for operation and maintenance of foreign currency account opened by individuals under FC III.

27. DOMESTIC CURRENCY ACCOUNTS IN BHUTAN:

- a) The domestic currency account opened by persons specified under Section 45 of the FERR 2018 shall be used to receive remuneration and payments related to a person's line of business in Bhutan only;
- b) Balances held in domestic currency accounts of persons specified in Section 45 (a) of the FERR 2018 may be:
 - (i) Withdrawn by the account holder in Bhutanese Ngultrum; or
 - (ii) Converted into foreign currencies and remitted abroad by the account holder through authorized banks as per the limit prescribed by the RMA.
- c) The domestic currency account opened by the person shall be closed upon completion of their term/ contract; and
- d) Upon closure of a domestic currency account, the account holder may:
 - (i) Withdraw in foreign currency cash up to USD 3000 or equivalent ; or
 - (ii) Transfer abroad, in whole or in part the closing balance in foreign currency through an authorized bank.

28. ELECTRONIC FUND TRANSFER CARDS

- a) An authorized bank may independently or in association with credit and debit card company, international bank or financial institution abroad, issue international credit or debit card to their account holder with prior written approval from the RMA including for introduction of any new card product and scheme;

- b) As per Section 22(b) of the FERR 2018, the credit or spending limit that will apply to any international credit, debit or prepaid card issued in accordance with *Annexure-III*
- c) An authorized bank may club the entitled amount by a person in convertible currency for travel to third country for official, medical, education, private travel, and business related travel to person's international debit card issued by the bank. However, the limit shall be per calendar year and in no way be carried forward to next year's card balance;
- d) Corporate Credit card shall be issued with the prior approval of the RMA only. It shall be used exclusively for making payment related to travel such as airfare, hotel, meals, etc. and in no way be allowed to make import payments and other non-travel related expenses;
- e) An authorized bank may receive the application for corporate credit card from Royal Government and its agency and public-sector entity on their behalf and forward it to the RMA with a recommendation letter;
- f) Upon approval from the RMA, an authorized bank shall issue the corporate credit card in the name of the agency with the limit prescribed by the RMA. The settlement in Ngultrum shall be by debit to the individual agency's account maintained with the bank.
- g) An authorized bank shall ensure that except for personal international debit and credit cards, specific cards such as corporate credit card and student card issued shall be used only for the purpose for which the card is issued; and
- h) Documents required:
 - (i) Bank forms;
 - (ii) For clubbing entitlements from other current transactions, letter of undertaking from individuals to ensure that the facility is availed by an individual from one authorized bank only. Other relevant documents may include for eg. To club medical entitlement, bank may require medical documents specified under Section 17 (f). For education entitlement, bank requires documents specified under Section 18 (f); and etc.
 - (iii) Any other documents required by the bank.

29. CAPITAL TRANSACTIONS

- a) Capital account shall mean transactions made for the purpose of transferring capital including transactions involving foreign direct investment, portfolio investment, acquisition of real estate or interest in real estate, and loans, guarantees and deposits other than normal short-term banking and credit facilities; and
- b) An authorized bank shall not make any payment related to capital account transactions unless otherwise approved by the RMA.

Annexur- I: The limits for USD.

Sl.No	Particulars	Amount in USD	Eligibility	Mode of payments
1.	Annual Travel Scheme	3000.00	Yearly	Cash
2.	Medical Travel*	1500.00	per medical travel	Cash
3.	Education Travel*	1000.00	Per Annum	Cash
4.	Business Travel	As per MoF	Per Travel	Cash
5.	Official Travel	As per MoF	Per Travel	Cash
6.	Incidental	500.00	More than Two Stopover	Cash
7.	Cash withdrawal from FC A/c.	3000.00	Per Travel against Confirm Air ticket/Closure of the account.	Cash
8.	Stipend living allowance (Student)	2400.00	Monthly	Bank Transfer
9.	Any Other Fees**	Equivalent to USD 3000.00	As per Invoice/Agreement	Bank Transfer

Note:

*Incidental in addition to the actual costs as per bills.

** e.g. Technical, consultancy, commission, etc.

Annexure-II. The limits for Indian Rupee (INR).

Sl.No	Particulars	Amount in INR	Eligibility	Mode of payments
1.	Annual Travel Scheme	10,000.00*	Monthly	Cash
2.	Medical Travel	100,000.00	per medical travel	Cash
3.	Education Travel	80,000.00	Per Annum	Cash
4.	Business Travel	As per MoF	Per Travel	Cash
5.	Official Travel	As per MoF	Per Travel	Cash
6.	Tour Package	50,000.00 to 100,000.00	Per Bus***	Cash
7.	Freight Charge	5000.00 to 10,000.00	Per Truck****	Cash
8.	Labour (Indian Nationals)	6000.00	Month per person	Cash
9.	Stipend & living allowance (Student)	50,000	Monthly	Bank Transfer

Note:

* Or as per RMA's Directives.

** Incidental in addition to the actual costs as per bills.

*** Depends on pack and number of days.

****The amount will vary depending on the exits point of the exporter (e.g. from Samdrup Jongkhar cash up to INR 10,000 & P/ling Cash up to INR 5000)

Annexure-III. The limits for cards.

(i) International Card denominated in INR

Sl. No.	Type of Cards	<i>Limits per card</i>
1.	Debit Card	ATM- INR 15,000 per month POS- INR 50,000 per month
2.	Prepaid Card (debit card)	INR 50,000 per month
3.	Credit Card	INR 150,000 per month

(ii) International Card denominated in USD

Sl. No.	Type of Cards	<i>Limits per card</i>
1.	International Debit Card	USD 1000 per annum
2.	International Credit Card	USD 1000 per annum
3.	International Student Card	USD 10,000 per annum

Annexure-IV: Reporting Formats for reports required under Foreign Exchange Rules and Regulations 2018

1. Daily/Weekly Rupee Holding.

Name of the Bank:,

Daily /Weekly report for:

SL No.	Name of the Correspondent Bank	Opening Balance INR	Total Debit	Total Credit	Closing Balance INR	Total INR Liabilities
1		XXX			XXX	
2		XXX			XXX	
3		XXX			XXX	
Total		XXX			XXX	

We hereby certify that the report furnished above are true and correct as per our records.

Place:

Signature of Authorized Official:

Name:

Designation

Date:

2. Daily/Weekly CC Holding

Name of the Bank:,

Daily/ Weekly report for:

Sl. No	Name of Correspondent Bank	Cy	Opening Balance	Total Credits	Total Debits	Closing Balance
1		USD	XXX			XXX
2		EUR	XXX			XXX
3		JPY	XXX			XXX
4		GBP	XXX			XXX
5		USD	XXX			XXX
Total		USD				

We hereby certify that the report furnished above are true and correct as per our records.

Place:

Signature of Authorized Official:

Name:

Designation:

Date:

All receipts and payments to and from India/Third countries:

a) All receipts from India:

Name of the Bank:

Report for the month of:

Date	Beneficiary Name	Beneficiary CID/ Trade License No.	Beneficiary Bank A/C No	Remitter Name	Remitter Bank / A/C No	Remitting Country	Purpose of Receipt	Foreign Currency	Amount

We hereby certify that the report furnished above are true and correct as per our records.

Place:

Signature of Authorized Official:

Name:

Date:

Designation:

b) All receipts from Third Country:

Name of the Bank:

Report for the month of:

Date	Beneficiary Name	Beneficiary CID/ Trade License No.	Beneficiary Bank A/C No	Remitter Name	Remitter Bank / A/c No	Remitting Country	Purpose of Receipt	Foreign Currency	Amount

We hereby certify that the report furnished above are true and correct as per our records.

Place:

Signature of Authorized Official:

Name:

Date:

Designation:

c) All payments to India:

Name of the Bank:

Report for the month of:

Date	Beneficiary Name	Beneficiary Bank A/C No	Beneficiary Country	Remitter Name	Remitter CID/ Trade License No.	Remitter Bank A/C No	Purpose of Payment	Foreign Currency	Amount

We hereby certify that the report furnished above are true and correct as per our records.

Place:

Signature of Authorized Official:

Name:

Date:

Designation:

d) All payments to Third Country:

Name of the Bank:

Report for the month of:

Date	Beneficiary Name	Beneficiary Bank A/C	Beneficiary Country	Remitter Name	Remitter CID/ Trade License No.	Remitter Bank A/C No	Purpose of Payment	Foreign Currency	Amount

We hereby certify that the report furnished above are true and correct as per our records.

Place:

Signature of Authorized Official:

Name:

Date:

Designation:

3. FC account

Name of the Bank:,

Report for the months of:

Date	Name of Account Holder	CID number/License No. of Account Holder	FC account No.	Type of FC Account	Account Opened	Account Closed
Total						

We hereby certify that the report furnished above are true and correct as per our records.

Place:

Signature of Authorized Official:

Name:

Date:

Designation:

4. Domestic Accounts for Non-Residents

Name of the Bank:,

Report for the month of:

Date	Name of Account Holder	Work Permit/License No. of Account Holder	Account No.	Account Opened	Account Closed
Total					

We hereby certify that the report furnished above are true and correct as per our records.

Place:

Signature of Authorized Official:

Name:

Date:

Designation

5. Monthly Statements on international credit and debit cards issued:

Name of Bank:,
Report for the month of:.....

USD/INR Credit Card Outflow									
Months	No. of cards issued in a month	Total no. of cards as of date	Total outflow (purpose wise)						
			Education	Medical	Online shopping	POS	Travel (hotels, airlines etc)	Others	Total outflow
			Jan-16						
Feb-16									
Mar-16									
Apr-16									
May-16									
Jun-16									
Jul-16									
Aug-16									
Sep-16									
Oct-16									
Nov-16									
Dec-16									

We hereby certify that the report furnished above are true and correct as per our records.

Place:
Name:
Date:

Signature of Authorized Official:
Designation:

6. All cash releases (INR/CC) for current account transactions:

a. Medical Related Travel to India

Name of the Bank:

Report for the month of:

Date	Beneficiary Name	Beneficiary Account No/CID	Currency	Mode of Payment	Amount

We hereby certify that the report furnished above are true and correct as per our records.

Place:

Signature of Authorized Official:

Name:

Date:

Designation

b. Medical Related Travel to third country

Name of the Bank:

Report for the month of:

Date	Beneficiary Name	Beneficiary Account No/CID	Currency	Mode of Payment	Amount

We hereby certify that the report furnished above are true and correct as per our records.

Place:

Signature of Authorized Official:

Name:

Date:

Designation

c. Business Travel to India

Name of the Bank:,
Report for the month of:

Date	Beneficiary Name	Beneficiary Account No/CID	Currency	Mode of Payment	Amount

We hereby certify that the report furnished above are true and correct as per our records.

Place:
Name:
Date:

Signature of Authorized Official:

Designation

d. Business Travel to third country

Name of the Bank:,
Report for the month of:

Date	Beneficiary Name	Beneficiary Account No/CID	Currency	Mode of Payment	Amount

We hereby certify that the report furnished above are true and correct as per our records.

Place:
Name:
Date:

Signature of Authorized Official:

Designation

e. Education Related Travel to India

Name of the Bank:,
Report for the month of:

Date	Beneficiary Name	Beneficiary Account No/CID	Currency	Mode of Payment	Amount

We hereby certify that the report furnished above are true and correct as per our records.

Place:
Name:
Date:

Signature of Authorized Official:

Designation

f. Education Related Travel to third country

Name of the Bank:,
Report for the month of:

Date	Beneficiary Name	Beneficiary Account No/CID	Currency	Mode of Payment	Amount

We hereby certify that the report furnished above are true and correct as per our records.

Place:
Name:
Date:

Signature of Authorized Official:

Designation

g. Private Travel to India

Name of the Bank:,
Report for the month of:

Date	Beneficiary Name	Beneficiary Account No/CID	Currency	Mode of Payment	Amount

We hereby certify that the report furnished above are true and correct as per our records.

Place:
Name:
Date:

Signature of Authorized Official:
Designation

h. Private Travel to third country

Name of the Bank:,
Report for the month of:

Date	Beneficiary Name	Beneficiary Account No/CID	Currency	Mode of Payment	Amount

We hereby certify that the report furnished above are true and correct as per our records.

Place:
Name:
Date:

Signature of Authorized Official:
Designation

i. Official Travel to India

Name of the Bank:,
Report for the month of:

Date	Beneficiary Name	Beneficiary Account No/CID	Currency	Mode of Payment	Amount

We hereby certify that the report furnished above are true and correct as per our records.

Place:
Name:
Date:

Signature of Authorized Official:

Designation

j. Official Travel to third country

Name of the Bank:,
Report for the month of:

Date	Beneficiary Name	Beneficiary Account No/CID	Currency	Mode of Payment	Amount

We hereby certify that the report furnished above are true and correct as per our records.

Place:
Name:
Date:

Signature of Authorized Official:

Designation

k. Family Remittances in INR (labour payment)

Name of the Bank:

Report for the month of:

Date	Beneficiary Name	Beneficiary Account No/CID	Currency	Mode of Payment	Amount

We hereby certify that the report furnished above are true and correct as per our records.

Place:

Signature of Authorized Official:

Name:

Date:

Designation

l. Freight charges and transportation cost in INR

Name of the Bank:

Report for the month of:

Date	Beneficiary Name	Beneficiary Account No/CID	Currency	Mode of Payment	Amount

We hereby certify that the report furnished above are true and correct as per our records.

Place:

Signature of Authorized Official:

Name:

Date:

Designation