



N.A.SHAH ASSOCIATES LLP  
Chartered Accountants

# BULLETIN

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FOREIGN EXCHANGE LAWS BULLETIN  
JUNE 2023



## **EXECUTIVE SUMMARY**


- ♦ RBI has provided clarifications on applicability of filing Form FC-GPR in case of allotment due to demerger & non applicability of filing in case of public issue.
- ♦ The payments made through international credit cards by resident individuals while on visit outside India will be within the limit of LRS.

## REPORTING FOR FOREIGN DIRECT INVESTMENT

- ♦ RBI has further clarified on following instances for filing Form FC-GPR on receipt of Foreign Direct Investment:
  - In case of issue of equity instruments by an Indian company to persons resident outside India on account of demerger, filing of Form FC-GPR will be required;
  - No filing of Form FC-GPR in case of allotment of equity instruments under any public issue (*previously only IPO was included*).

## AMENDMENT IN CURRENT ACCOUNT TRANSACTIONS

- ♦ With effect from 16<sup>th</sup> May 2023, any payment made by resident individuals through international credit cards for meeting expenses while such individual is on a visit outside India shall be included under the Liberalised Remittance Scheme limit of US\$ 250,000. The Foreign Exchange Management (Current Account) Rules 2000 has been amended by deleting the exemption which was available as regards usage of Credit card for international travel.
- ♦ Further TCS @ 20% shall be applicable on meeting such expenses with effect from 01<sup>st</sup> July 2023.



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