

## AMENDMENTS TO FOREIGN EXCHANGE MANAGEMENT (CURRENT ACCOUNT TRANSACTIONS) RULES, 2000

MAY 19, 2023

The Ministry of Finance on May 16, 2023 notified the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2023 ("**Amendment**") effectively bringing the payment made through International Credit Card by a resident individual outside India within the limit of USD 2,50,000/- ("**LRS Limit**").

### I. AMENDMENT:

As per Rule 5 of Foreign Exchange Management (Current Account Transactions) Rules, 2000 ("**Current Accounts Rules**") any foreign exchange facility for the transactions specified in Schedule III of the Current Account Rules (i.e. gifts, travel expenses, medical expenses, emigration, education expenses etc.) shall require Reserve Bank of India's approval if the payment for such transactions breaches LRS Limit, subject to certain conditions, in a financial year.

Furthermore, as per Rule 7 of the Current Account Rules any expenses made by a person visiting outside India through an International Credit Card was excluded from the purview of LRS Limit. However, pursuant to the Amendment, Rule 7 stands omitted, hence any expenses by a resident individual during his visit outside India through an International Credit Card shall be subject to the LRS Limit.

### ABOUT THE FIRM

AKS Partners (formerly known as A.K. Singh & Co) is a law firm based in New Delhi (India) that provides a comprehensive range of legal services and solutions to domestic and international clients. The Firm offers a unique blend of the local knowledge to apply the regulatory, economic, political and cultural context to legal issues and develop case strategies.

We regularly handle technically challenging and complex multi-jurisdictional matters. Our team is spearheaded by one of the highly recognised lawyers with extensive experience in international dispute resolution and strong government and diplomatic backgrounds. This experience gives us the deepest understanding of the key decision points that are critical in navigating complex & complicated matters and managing government regulations.

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## AWARDS & RECOGNITIONS



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