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India places great importance on its engagement with BRICS as it brings stability and balance to an uncertain world said Union Minister of Commerce and Industry & Railways, Piyush Goyal, at the interventions made by him in the BRICS Trade Ministers meeting held in Brasilia, Brazil.

The global economy is facing grave challenges due to growing protectionism and trade tensions due to unilateral measures said the Minister in his address at the session on International Economic Outlook. He further stated that in this uncertainty India continues to offer economic opportunities with reduced corporate taxes that are the most competitive in the world, liberalised rules for Foreign Direct Investment and revitalisation of sectors like real estate and the micro and small enterprises. The micro, small and medium enterprises (MSMEs) in India support the livelihood of millions of people the Minister added. The 50 million MSMEs create over 100 million jobs and contribute 40 percent to India’s exports. It is the backbone of Indian economy but the increasing trends of protectionism in the form of Non-Tariff Barriers (NTBs) are denying market access to these enterprises particularly from the developing countries. Developed countries advocate open and free trade with emphasis on removal of tariffs in developing countries but they themselves are raising more barriers in the form of NTBs that are leading to economic uncertainties and raising the cost of doing trade in developing and Least Developed Countries (LDCs) said the Minister.

Commerce and Industry Minister urged the BRICS countries to again focus on trade as a catalyst for development, poverty alleviation and job creation. BRICS countries accounted for 25 percent of the world’s GDP, 50 percent of the world’s population and around 20 percent of global merchandise trade in 2018. BRICS countries, added the Minister, have natural resources, human capital and financial outreach and have the potential to become global growth engines and leaders in innovation and enterprise.

Commerce and Industry Minister in his address, in the session on Advancing BRICS Trade and Investment Cooperation- the Road Ahead, urged the BRICS countries to develop digital infrastructure, skills and institutions with special focus on the developing countries and LDCs while highlighting the adverse impact of predatory pricing that is practised by some e-commerce players that adversely affects millions of small retailers. He reiterated that e-commerce players must follow the letter and spirit of the law of the country. In his address the Commerce and Industry Minister also spoke about the need to ensure that the WTO reform process does not dilute the basic principles like Special and Differential Treatment to developing countries and consensus-based decision making. He urged the BRICS countries to collectively take the lead in shaping the narrative on reforms within the WTO in order to enhance its relevance and effectiveness in the contemporary technological and trade environment.
The Commerce and Industry Minister in his closing remarks at the Trade and Industry Minister’s meeting said that the Memorandum of Understanding (MoU) amongst BRICS Trade and Investment Promotion Agencies signed at this meeting provides a framework for forging collaboration between countries and facilitating greater trade amongst BRICS member countries. He expressed his confidence that the MoU will further promote trade and market studies and will narrow gaps in trade facilitation measures in BRICS countries.

Piyush Goyal urged all BRICS member countries to maintain the momentum in all the areas agreed upon during the Brazilian Presidency especially cooperation initiatives in MSMEs, Intellectual Property Rights, e-commerce, technical regulations, investment facilitation and trade and investment promotion as cooperation through these frameworks will encourage value added outcomes for stakeholders.

The Commerce and Industry Minister said that the joint communique reflects the resolve towards an open, fair, transparent and inclusive multilateral trading system. He further said that as the Joint Communique feeds into the BRICS Leaders’ Declaration it sends a strong message to the world in defence of free and fair trade and revival of the rules-based multilateral trading system. He reiterated the Prime Minister of India’s commitment that India’s no strings attached model of cooperation is driven by the requirements and priorities of India’s partner countries.
MINISTRY OF COMMERCE & INDUSTRY

Index Numbers of Wholesale Price in India (Base: 2011-12=100)
Review for the month of October, 2019

The official Wholesale Price Index for 'All Commodities' (Base : 2011-12=100) for the month of October, 2019 rose by 0.7% to 122.2 (provisional) from 121.3 (provisional) for the previous month.

INFLATION

The annual rate of inflation, based on monthly WPI, stood at 0.16% (provisional) for the month of October, 2019 (over October, 2018) as compared to 0.33% (provisional) for the previous month and 5.54% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was 1.92% compared to a build up rate of 4.90% in the corresponding period of the previous year.

The movement of the index for the various commodity group is summarized below:-

PRIMARY ARTICLES (Weight 22.62%)

The index for this major group rose by 2.1% to 146 (provisional) from 143 (provisional) for the previous month. The groups and items which showed variations during the month are as follows:-

The index for 'Food Articles' group rose by 3.2% to 160.2 (provisional) from 155.3 (provisional) for the previous month due to higher price of fruits & vegetables (11%), egg and pork (4% each), urad, tea and wheat (2% each) and rajma, condiments & spices, fish-marine, poultry chicken, gram and moong (1% each). However, the price of bajra (6%), ragi (3%) and maize and barley (1% each) declined.

The index for 'Non-Food Articles' group declined by 0.3% to 126.3 (provisional) from 126.7 (provisional) for the previous month due to lower price of castor seed (15%), raw rubber (9%), gaur seed (5%), raw cotton (4%), skins (raw) and soyabean (3% each), hides (raw) (2%) and groundnut seed and coir fibre (1% each). However, the price of floriculture (14%), raw silk (9%), niger seed (5%), safflower (kardi seed) (4%), gingelly seed (sesamum) (3%), raw jute (2%) and sunflower and rape & mustard seed (1% each) moved up.

The index for 'Minerals' group declined by 3.2% to 158.4 (provisional) from 163.6 (provisional) for the previous month due to lower price of copper concentrate (5%), limestone (3%) and iron ore, manganese ore and chromite (1% each). However, the price of lead concentrate (1%) moved up.

The index for 'Crude Petroleum & Natural Gas' group declined by 0.7% to 85.8 (provisional) from 86.4 (provisional) for the previous month due to lower price of natural gas (8%). However, the price of crude petroleum (3%) moved up.
FUEL & POWER (Weight 13.15%)

The index for this major group rose by 1.9% to 102.1 (provisional) from 100.2 (provisional) for the previous month. The groups and items which showed variations during the month are as follows:-

The index for 'Mineral Oils' group rose by 2.8% to 93.0 (provisional) from 90.5 (provisional) for the previous month due to higher price of furnace oil (9%), bitumen and naphtha (6% each), ATF and kerosene (3% each), petrol and HSD (2% each) and LPG (1%).

The index for 'Electricity' group rose by 1.6% to 110 (provisional) from 108.3 (provisional) for the previous month due to higher price of electricity (2%).

MANUFACTURED PRODUCTS (Weight 64.23%)

The index for this major group remained unchanged at its previous month level of 117.9. The groups and items which showed variations during the month are as follows:-

The index for 'Manufacture of Food Products' group rose by 0.7% to 134.5 (provisional) from 133.6 (provisional) for the previous month due to higher price of honey (6%), powder milk (4%), palm oil (3%), salt, copra oil, chicken/duck, dressed - fresh/frozen, mustard oil, wheat flour (atta) and spices (including mixed spices) (2% each) and manufacture of cocoa, chocolate and sugar confectionery, manufacture of health supplements, ice cream, maida, soyabean oil, rice bran oil, processing and preserving of fish, crustaceans and molluscs and products thereof, sooji (rawa), gur, manufacture of bakery products and butter (1% each). However, the price of castor oil (9%), molasses (8%), coffee powder with chicory (4%), processed tea (2%) and manufacture of processed ready to eat food and instant coffee (1% each) declined.

The index for 'Manufacture of Beverages' group declined by 0.6% to 123.4 (provisional) from 124.1 (provisional) for the previous month due to lower price of aerated drinks/soft drinks (incl. soft drink concentrates) (2%). However, the price of bottled mineral water (1%) moved up.

The index for 'Manufacture of Tobacco Products' group rose by 0.8% to 155.2 (provisional) from 154.0 (provisional) for the previous month due to higher price of other tobacco products (2%).

The index for 'Manufacture of Textiles' group declined by 0.2% to 117.7 (provisional) from 117.9 (provisional) for the previous month due to lower price of synthetic yarn, manufacture of made-up textile articles, except apparel, cotton yarn, texturised and twisted yarn and manufacture of knitted and crocheted fabrics (1% each). However, the price of manufacture of cordage, rope, twine and netting (2%) and weaving & finishing of textiles (1%) moved up.

The index for 'Manufacture of Wearing Apparel' group declined by 0.4% to 138.4 (provisional) from 138.9 (provisional) for the previous month due to lower price of manufacture of wearing apparel (woven), except fur apparel (1%).

The index for 'Manufacture of Leather And Related Products' group declined by 0.2% to 118.6 (provisional) from 118.8 (provisional) for the previous month due to lower price of chrome
tanned leather and plastic/PVC chappals (1% each). However, the price of belt & other articles of leather, harness, saddles & other related items, waterproof footwear, vegetable tanned leather and leather shoe (1% each) moved up.

The index for 'Manufacture of Wood And of Products of Wood and Cork ' group rose by 0.3% to 134.4 (provisional) from 134.0 (provisional) for the previous month due to higher price of wooden splint (8%), wooden box/crate (3%) and plywood block boards (1%). However, the price of wooden block - compressed or not (3%) and lamination wooden sheets/veneer sheets (1%) declined.

The index for 'Manufacture of Paper and Paper Products' group declined by 0.5% to 120.3 (provisional) from 120.9 (provisional) for the previous month due to lower price of tissue paper (3%), kraft paper, paper for printing & writing, base paper and laminated paper (2% each) and bristle paper board, poster paper, newsprint, pulp board and corrugated paper board (1% each). However, the price of paper bag including craft paper bag (7%) and corrugated sheet box (2%) moved up.

The index for 'Printing and Reproduction of Recorded Media ' group rose by 2.5% to 153.2 (provisional) from 149.4 (provisional) for the previous month due to higher price of journal/periodical (9%) and printed form & schedule and sticker plastic (1% each). However, the price of newspaper (1%) declined.

The index for 'Manufacture of Chemicals and Chemical Products' group declined by 0.4% to 117.4 (provisional) from 117.9 (provisional) for the previous month due to lower price of caustic soda (sodium hydroxide) (7%), camphor, carbon black, sulphuric acid and poly propylene (PP) (5% each), amine (4%), ammonium sulphate (3%), powder coating material, other inorganic chemicals, adhesive tape (non-medicinal), mono ethyl glycol, aromatic chemicals, phosphoric acid and soda ash/washing soda (2% each) and organic chemicals, acrylic fibre, polyester chips or polyethylene terephthalate (pet) chips, di ammonium phosphate, menthol, fatty acid, polyethylene, additive, shampoo, polyester film(metalized, polyester fibre fabric, epoxy, liquid, polystyrene, expandable and organic surface active agent (1% each). However, the price of gelatine (6%), agro chemical formulation, oleoresin, ethyl acetate, tooth paste/tooth powder, adhesive excluding gum, hydrogen peroxide, ammonia gas, dye stuff/dyes incl. dye intermediates and pigments/colours, catalysts, sodium silicate and alkyl benzene (2% each) and acetic acid and its derivatives, ethylene oxide, ammonium phosphate, insecticide and pesticide, explosive, organic solvent, alcohols and ammonia liquid (1% each) moved up.

The index for 'Manufacture of Pharmaceuticals, Medicinal Chemical and Botanical Products' group rose by 0.2% to 125.9 (provisional) from 125.6 (provisional) for the previous month due to higher price of cotton wool (medicinal) and API & formulations of vitamins (1%). However, the price of anti-retroviral drugs for HIV treatment (3%), vials/ampoule, glass, empty or filled and antipyretic, analgesic, anti-inflammatory formulations (2% each) and anti cancer drugs and vaccine for polio (1% each) declined.

The index for 'Manufacture of Rubber and Plastics Products' group rose by 0.2% to 108.3 (provisional) from 108.1 (provisional) for the previous month due to higher price of processed rubber (4%), plastic bag, rubber components & parts and plastic box/container (2% each) and
plastic components, conveyer belt (fibre based), plastic film and condoms (1% each). However, the price of tooth brush (3%), elastic webbing, plastic bottle and polythene film (2% each) and medium & heavy commercial vehicle tyre, rubber cloth/sheet, 2/3 wheeler rubber tube, tractor tyre, thermocol, plastic tank, plastic furniture, polyester film (non-metalized), rubber crumb, cycle/cycle rickshaw tyre, solid rubber tyres/wheels, rubber tread and plastic tape (1% each) declined.

The index for 'Manufacture of Other Non-Metallic Mineral Products' group declined by 0.9% to 115.8 (provisional) from 116.8 (provisional) for the previous month due to lower price of ordinary sheet glass, glass bottle and graphite rod (6% each), electric insulating material and toughened glass (2% each) and poles & posts of concrete, stone, chip, granite and plain bricks (1% each). However, the price of cement superfine (3%), cement blocks (concrete) (2%) and porcelain sanitary ware, railway sleeper, non ceramic tiles, white cement and fibre glass incl. sheet (1% each) moved up.

The index for 'Manufacture of Basic Metals' group declined by 1.1% to 103.6 (provisional) from 104.8 (provisional) for the previous month due to lower price of stainless steel pencil ingots/billets/slabs (5%), ferromanganese and other ferro alloys (4% each), silicomanganese, hot rolled (HR) coils & sheets, including narrow strip, brass metal/sheet/coils nad GP/GC sheet (3% each), steel cables, cold rolled (CR) coils & sheets, including narrow strip, ferrochrome, aluminium alloys, pig iron, alloy steel wire rods, angles, channels, sections, steel (coated/not), aluminium shapes - bars/rods/flats and MS bright bars (2% each) and steel forgings - rough, aluminium ingot, rails, zinc metal/zinc blocks, mild steel (MS) blooms, ferrosilicon, copper metal/copper rings and galvanized iron pipes (1% each). However, the price of alloy steel castings (3%) and MS pencil ingots, lead ingots, bars, blocks, plates and MS castings (1% each) moved up.

The index for 'Manufacture of Fabricated Metal Products, Except Machinery and Equipment' group declined by 0.1% to 115.0 (provisional) from 115.1 (provisional) for the previous month due to lower price of aluminium utensils (7%), forged steel rings (3%), steel drums and barrels, hand tools, bracket, metal cutting tools & accessories, stainless steel tank and steel container (2% each) and pressure cooker, electrical stamping- laminated or otherwise, iron/steel cap and jigs & fixture (1% each). However, the price of sanitary fittings of iron & steel (6%), cylinders (3%), iron/steel hinges (2%) and boilers (1%) moved up.

The index for 'Manufacture of Computer, Electronic and Optical Products' group declined by 0.3% to 109.8 (provisional) from 110.1 (provisional) for the previous month due to lower price of colour TV, watch and air conditioner (1% each). However, the price of electro-diagnostic apparatus, used in medical, surgical, dental or veterinary sciences (3%) and meter (non-electrical) and electronic printed circuit board (PCB)/micro circuit (2% each) moved up.

The index for 'Manufacture of Electrical Equipment' group rose by 0.6% to 111.2 (provisional) from 110.5 (provisional) for the previous month due to higher price of electric accumulators (4%), jelly filled cables and refrigerators (3%), fibre optic cables, transformer, ACSR conductors and domestic gas stove (2% each) and incandescent lamps, insulating & flexible wire, connector/plug/socket/holder-electric, electrical resistors (except heating resistors), electric switch, flourescent tube and copper wire (1% each). However, the price of electric welding machine (2%) and electric switch gear control/starter, solenoid valve, rotor/magneto rotor assembly, electric
mixers/grinders/food processors, insulator, PVC insulated cable, aluminium/alloy conductor, aluminium wire and electric filament type lamps (1% each) declined.

The index for 'Manufacture of Machinery and Equipment' group declined by 1.0% to 112.8 (provisional) from 113.9 (provisional) for the previous month due to lower price of air filters (8%), machinery used in the milling industry (3%), air or vacuum pump, cranes, precision machinery equipment/form tools, pharmaceutical machinery and excavator (2% each) and sugar machinery, open end spinning machinery, chemical equipment & system, dumper, injection pump and industrial valve (1% each). However, the price of moulding machine, water purifier, loader, sewing machines, air gas compressor including compressor for refrigerator and threshers (1% each) moved up.

The index for 'Manufacture of Motor Vehicles, Trailers and Semi-Trailers' group rose by 1.5% to 114.6 (provisional) from 112.9 (provisional) for the previous month due to higher price of seat for motor vehicles (17%), engine (4%), crankshaft and silencer and damper (2% each) and chain, wheels/wheels & parts, shafts of all kinds, passenger vehicles, chassis of different vehicle types and minibus/bus (1% each). However, the price of cylinder liners (3%) and brake pad/brake liner/brake block/brake rubber, others (2%) declined.

The index for 'Manufacture of Furniture' group declined by 1.1% to 130.8 (provisional) from 132.2 (provisional) for the previous month due to lower price of foam and rubber mattress (4%), plastic fixtures (2%) and hospital furniture (1%).

The index for 'Other Manufacturing' group rose by 2.5% to 116.7 (provisional) from 113.8 (provisional) for the previous month due to higher price of non mechanical toys (9%), gold & gold ornaments (3%), silver (2%) and table tennis table (1%). However, the price of stringed musical instruments (incl. santoor, guitars, etc.) (6%), playing cards (2%) and cricket ball and cricket bat (1% each) declined.

**WPI FOOD INDEX (Weight 24.38%)**

The rate of inflation based on WPI Food Index consisting of ‘Food Articles’ from Primary Articles group and ‘Food Product’ from Manufactured Products group increased from 5.98% in September, 2019 to 7.65% in October, 2019.

**FINAL INDEX FOR THE MONTH OF AUGUST, 2019 (BASE YEAR:2011-12=100)**

For the month of August, 2019, the final Wholesale Price Index for 'All Commodities' (Base: 2011-12=100) stood at 121.5 as compared to 121.4 (provisional) and annual rate of inflation based on final index stood at 1.17% as compared to 1.08% (provisional) respectively as reported on 16.09.2019.
India and Switzerland hold Secretary-level Bilateral Meeting; discuss enhanced cooperation in fight against tax evasion

Fighting the menace of Black Money stashed in offshore accounts is a key priority area for the Government of India. Following the agreement between Prime Minister Shri Narendra Modi and Swiss President Mr Ueli Maurer for enhanced cooperation in the fight against tax evasion, the two sides have worked closely for expeditious information exchange in tax matters.

To further this cooperation, Revenue Secretary Dr Ajay Bhushan Pandey and Switzerland’s State Secretary for International Finance Ms Daniela Stoffel met here today. The Secretaries expressed satisfaction over the progress made over the past few years in the area of administrative assistance in tax matters, particularly the efforts made by Switzerland in providing assistance in HSBC cases.

Welcoming the first transmission of financial account information on automatic basis between the two countries in September 2019, the Secretaries reiterated their countries' commitment to global tax transparency for tackling offshore tax evasion. This automatic exchange of financial account information will usher a new era of financial transparency as Indian tax administration will now know the details of all bank accounts held by Indians in Switzerland. The Secretaries encouraged the competent authorities of both the countries to further collaborate and share experiences with the aim of continuously enhancing the quality of the exchanged data.

The Revenue Secretary and Swiss State Secretary also exchanged views on addressing the challenges arising out of digitalisation of the economy and agreed that coordinated international actions, as in the case of tax base erosion and profit shifting project, are central to achieving a consensus-based long-term solution that leads to desired tax certainty and sustainable development.

The Secretaries reaffirmed the need for continuous dialogue at the level of competent authorities of the two countries to further enhance the cooperation under the India-Switzerland tax treaties and agreed to carry forward the dialogue in the spirit of mutual friendship and cooperation.

A Joint Statement was signed by the two Secretaries at the conclusion of the meeting.
Norms of Aadhaar KYC are eased, not of the Change of Address in Aadhaar

Norms of Aadhaar KYC are eased for opening of bank account and not for the change of address in Aadhaar, said the Department of Revenue (DoR), Ministry of Finance today while clarifying on Aadhaar KYC use with reference to its notification dated 13.11.2019 on amendment to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005. The DoR said in a categorical statement that its notification is with regard to easing of Aadhaar KYC use for opening of the bank account for the convenience of people who often migrate from place to place for jobs or any other reason and it is not regarding the change of address in Aadhaar card, as has been misreported in various media.

Revenue Secretary, Dr. Ajay Bhushan Pandey said, “The amended PMLR applies only to Aadhaar KYC purposes for opening of bank account and not for the change of Address in Aadhaar card. If a person has moved residence for purposes of work and needs to use Aadhaar KYC for opening a new bank account or change his bank branch, etc., he can give a self declaration of new address while retaining the original address on his Aadhaar card”.

Dr Pandey said that the PML Rules amendment makes opening bank account easier for individuals who are living in an address different from their address in Aadhaar. People who submitted Aadhaar card with a different address as KYC at banks can now submit local address by providing a self-declaration.

He said that with this amendment, giving a self-declaration about a local address or any address other than the one on Aadhaar card will be sufficient as address proof to open bank account with Aadhaar KYC. This amendment brings in convenience especially for the migrant people. For example, if a migrant worker comes from Jharkhand to Mumbai and his/her Aadhaar has Jharkhand’s address, then to open a bank account a self-declaration about his/her local address in Mumbai will be sufficient for Aadhaar KYC.”

DoR sources said that the change has been made through an amendment in the PML Rules and not by way of amending Aadhaar Act/Regulations. So, it does not apply to change of address in Aadhaar card. This amendment has been issued to allow people who have used Aadhaar KYC to open bank account and want to give an address different from the address in Aadhaar as current address on self declaration basis.
RBI released guidelines on the criteria for registering institutions, organisations and associations ‘on tap’ for grant of financial assistance from the Depositor Education and Awareness Fund

The Reserve Bank of India released on its website, guidelines on the criteria for registering institutions, organisations and associations ‘on tap’ for grant of financial assistance from the Depositor Education and Awareness Fund.

How to apply?

The eligible entities desirous of registering with DEA Fund may apply in the prescribed format given as Annex-1 along with necessary documents/information as per the list of documents indicated in the application form, to The Chief General Manager, Department of Regulation, Reserve Bank of India, Central Office, 12th Floor, Central Office Building, Shahid Bhagat Singh Road, Mumbai – 400001.

Background

The Banking Laws (Amendment) Act, 2012, Section 26A has been inserted in the Banking Regulation Act, 1949. The Section empowers the Reserve Bank to establish a fund called Depositor Education and Awareness Fund (DEA Fund). Accordingly, a Scheme was formulated and notified in the Official Gazette on May 24, 2014. The Scheme envisages registration of institutions, organisations and associations and grant of financial assistance to them for promotion of depositors’ awareness.

Reserve Bank of India had released on its website on January 9, 2015 and October 8, 2015, guidelines on the criteria for registering institutions, organisations and associations for grant of financial assistance from the Depositor Education and Awareness Fund (DEA Fund). Based on the scrutiny of applications received, 25 entities were found suitable for registration. With a view to widening and deepening depositor awareness efforts, it has now been decided to invite applications ‘on tap’ for registration of eligible entities.

(Yogesh Dayal)
Chief General Manager
RESERVE BANK OF INDIA

Foreign Exchange Management (Deposit) (Third Amendment) Regulations, 2019

In exercise of the powers conferred by clause (f) of sub-section (3) of section 6, sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following amendment in the Foreign Exchange Management (Deposit) Regulations, 2016 (Notification No. FEMA 5 (R)/2016-RB dated April 01, 2016) (hereinafter referred to as 'the Principal Regulations'), namely:

1. Short title and commencement.

(i) These regulations shall be called the Foreign Exchange Management (Deposit) (Third Amendment) Regulations, 2019.

(ii) They shall come into force with effect from the date of their publication in the Official Gazette.

2. In the Principal Regulation, in SCHEDULE 4,

(a) for paragraph 1, the following shall be substituted, namely, :-

“1. Any person resident outside India, having a business interest in India, may open Special Non-Resident Rupee Account (SNRR account) with an authorised dealer for the purpose of putting through bona fide transactions in rupees, not involving any violation of the provisions of the Act, rules and regulations made thereunder. The business interest, apart from generic business interest, shall include the following INR transactions, namely, :-

i. Investments made in India in accordance with Foreign Exchange Management (Non-debt Instruments) Rules, 2019 dated October 17, 2019 and Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified vide notification no. FEMA 396/2019-RB dated October 17, 2019, as applicable, as amended from time to time;

ii. Import of goods and services in accordance with Section 5 of the Foreign Exchange Management Act 1999 (42 of 1999), read with Notification No. G.S.R. 381(E) dated May 3, 2000, viz., Foreign Exchange Management (Current Account Transaction) Rules, 2000, as amended from time to time;

iii. Export of goods and services in accordance with Section 7 of the Foreign Exchange Management Act 1999 (42 of 1999), read with Notification No. G.S.R. 381(E) dated May 3, 2000, viz., Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time, and further read with FEMA Notification No.23(R)/2015-RB dated January 12, 2016, as amended from time to time;

iv. Trade credit transactions and lending under External Commercial Borrowings (ECB) framework in accordance with Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time; and
v. Business related transactions outside International Financial Service Centre (IFSC) by IFSC units at GIFT city like administrative expenses in INR outside IFSC, INR amount from sale of scrap, government incentives in INR, etc. The account will be maintained with bank in India (outside IFSC)."

(b) for paragraph 2, the following shall be substituted, namely, :-

"2. The SNRR account shall carry the nomenclature of the specific business for which it is in operation. Indian bank may, at its discretion, maintain separate SNRR Account for each category of transactions or a single SNRR Account for a person resident outside India engaged in multiple categories of transactions provided it is able to identify/ segregate and account them category-wise."

(c) in paragraphs 3, 5 and 6, for the word 'should', the word 'shall' shall be substituted.

(d) for in paragraph 8, the following shall be substituted, namely, :-

"8. The tenure of the SNRR account shall be concurrent to the tenure of the contract / period of operation / the business of the account holder and in no case shall exceed seven years. Approval of the Reserve Bank shall be obtained in cases requiring renewal:

Provided the restriction of seven years shall not be applicable to SNRR accounts opened for the purposes stated at sub. paragraphs i to v of paragraph 1 of this schedule."

(e) for paragraph 13, the following shall be substituted, namely, :-

"13. The amount due/ payable to non-resident nominee from the account of a deceased account holder, shall be credited to NRO/NRE account of the nominee with an authorised dealer/ authorised bank in India or by remittance through normal banking channels."

(Ajay Kumar Misra)
Chief General Manager-in-Charge

Foot Note: The Principal Regulations were published in the Official Gazette vide No. G.S.R. 389(E) dated April 01, 2016 and subsequently amended as under

G.S.R.1093 (E) dated 09.11.2018
G.S.R. 498 (E) dated 16.07.2019
No. FEMA 5(R)/(3)/2019-RB dated November 13, 2019
RESERVE BANK OF INDIA

Foreign Exchange Management (Manner of Receipt and Payment) (Amendment) Regulations, 2019

In exercise of the powers conferred by Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following amendment in the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2016 (Notification No. FEMA 14 (R)/2016-RB dated May 02, 2016) (hereinafter referred to as 'the Principal Regulations'), namely:

1. Short title and commencement.

(i) These Regulations may be called the Foreign Exchange Management (Manner of Receipt and Payment) (Amendment) Regulations, 2019.

(ii) They shall come into effect from the date of their publication in the Official Gazette.

2. In the Principal Regulations:

(a) in regulation 2, after clause (iv), the following new clause shall be inserted, namely, :-

(v) ‘SNRR account’ means a Special Non- Resident Rupee account referred to in sub. regulation (4) of regulation 5 of Foreign Exchange Management (Deposit) Regulations, 2016.

(b) in regulation 4,

(i) in sub. regulation (1), for clause (ii), the following shall be substituted, namely:

“by debit to FCNR/ NRE/ SNRR account maintained by a person resident outside India (overseas buyer) with an Authorised Dealer or an Authorised Bank in India, as specified in Foreign Exchange Management (Deposits) Regulations, 2016;”

(ii) after sub. regulation (2), the following new sub. regulation shall be inserted, namely:

“(3) Payment may also be received in rupees by a person resident in India from SNRR Account of person resident outside India after ensuring that the underlying transactions are in conformity with the provisions of the Foreign Exchange Management Act, 1999 and the rules, regulations and directions issued thereunder.”
(c) in regulation 6,

(i) in sub. regulation (2), after clause (iii), the following new clauses shall be inserted, namely:

“(iv) by credit to SNRR account maintained by a person resident outside India (overseas seller) with an Authorised Dealer or an Authorised Bank in India for imports into India, as specified in Foreign Exchange Management (Deposit) Regulations, 2016.

(v) in rupees to SNRR account of the person resident outside India after ensuring that the underlying transactions are in conformity with the provisions of the Foreign Exchange Management Act, 1999 and the rules, regulations and directions issued thereunder.”

(Ajay Kumar Misra)
Chief General Manager -in-Charge

Foot Note: The Principal Regulations were published in the Official Gazette vide No. G.S.R. 480(E) dated May 3, 2016 and subsequently amended as under

No. FEMA 14(R)/(1)/2019-RB dated November 13, 2019