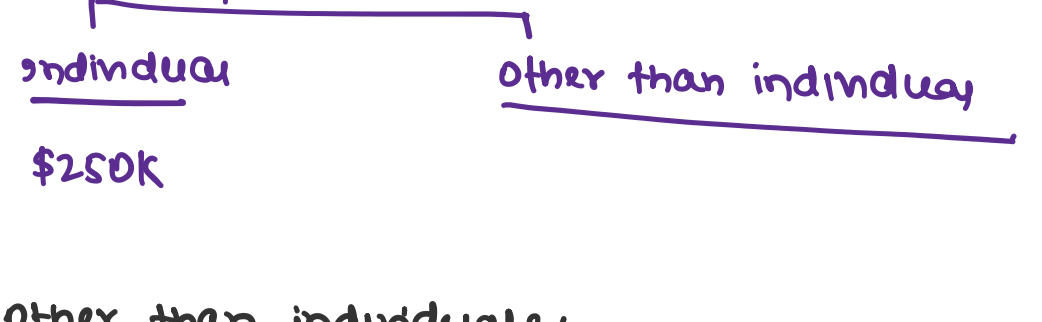


Lecture 14.4

Sch III



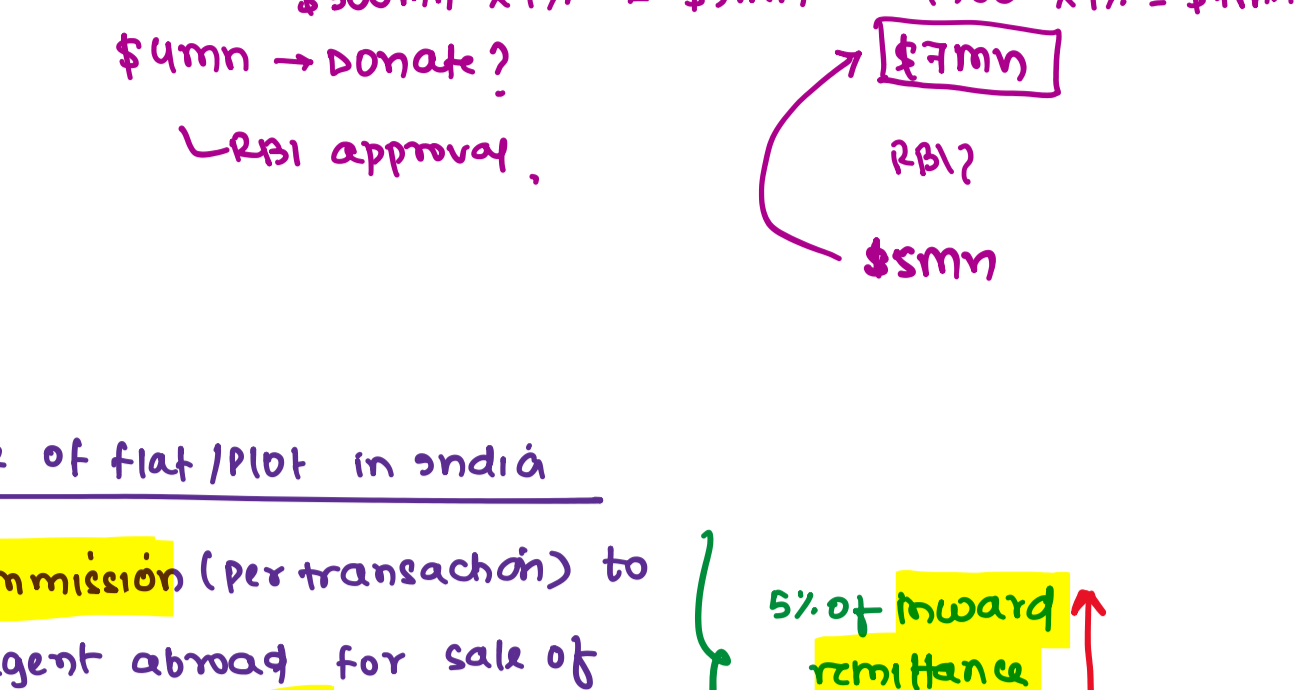
Other than individuals:

1. Donation for:

- creation of chairs in reputed education institution
- contribution to funds promoted by such educational inst.
- contribution to technical inst. in the field of activity of donor

Exceeds 1% of forex earning in last 3 FY or $\$5mn$

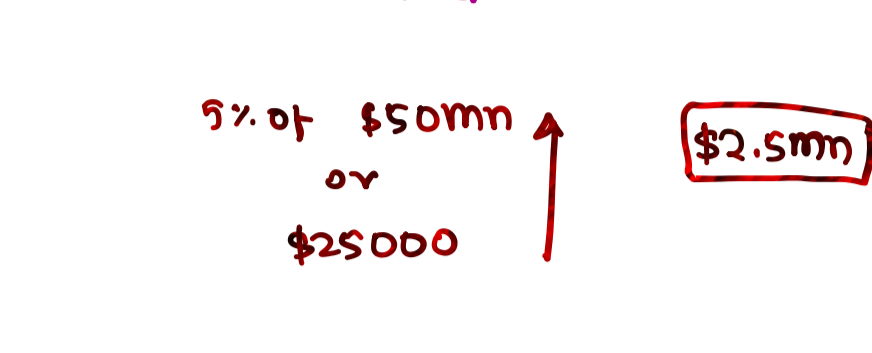
Illustration:



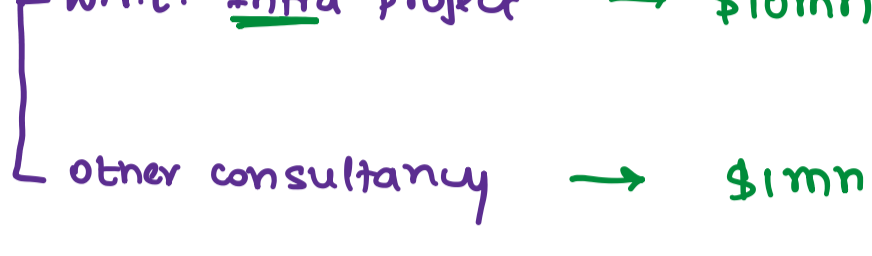
2. Sale of flat/plot in india

commission (per transaction) to agent abroad for sale of residential plots or commercial plots in india

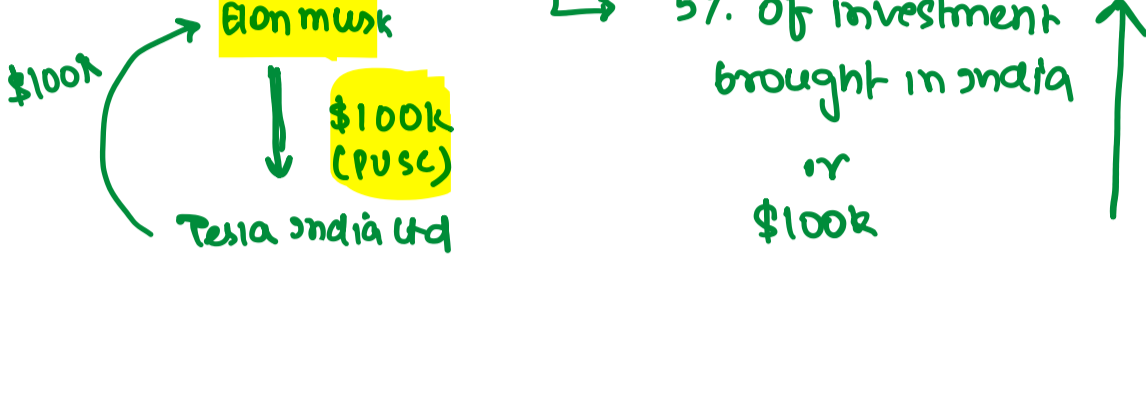
5% of inward remittance or $\$25000$



3. consultancy service (Per project)



4. Reimbursement of pre-incorporation expense



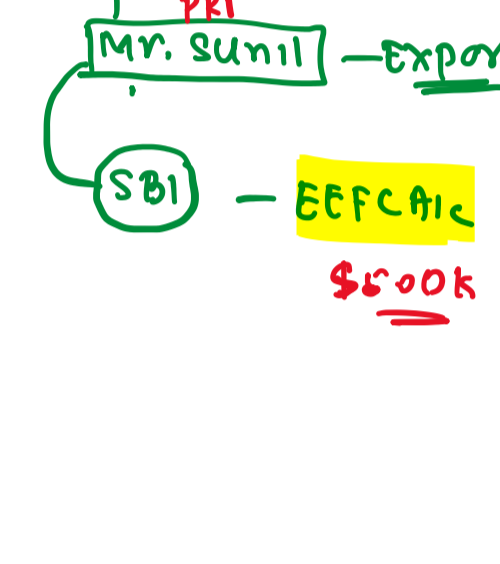
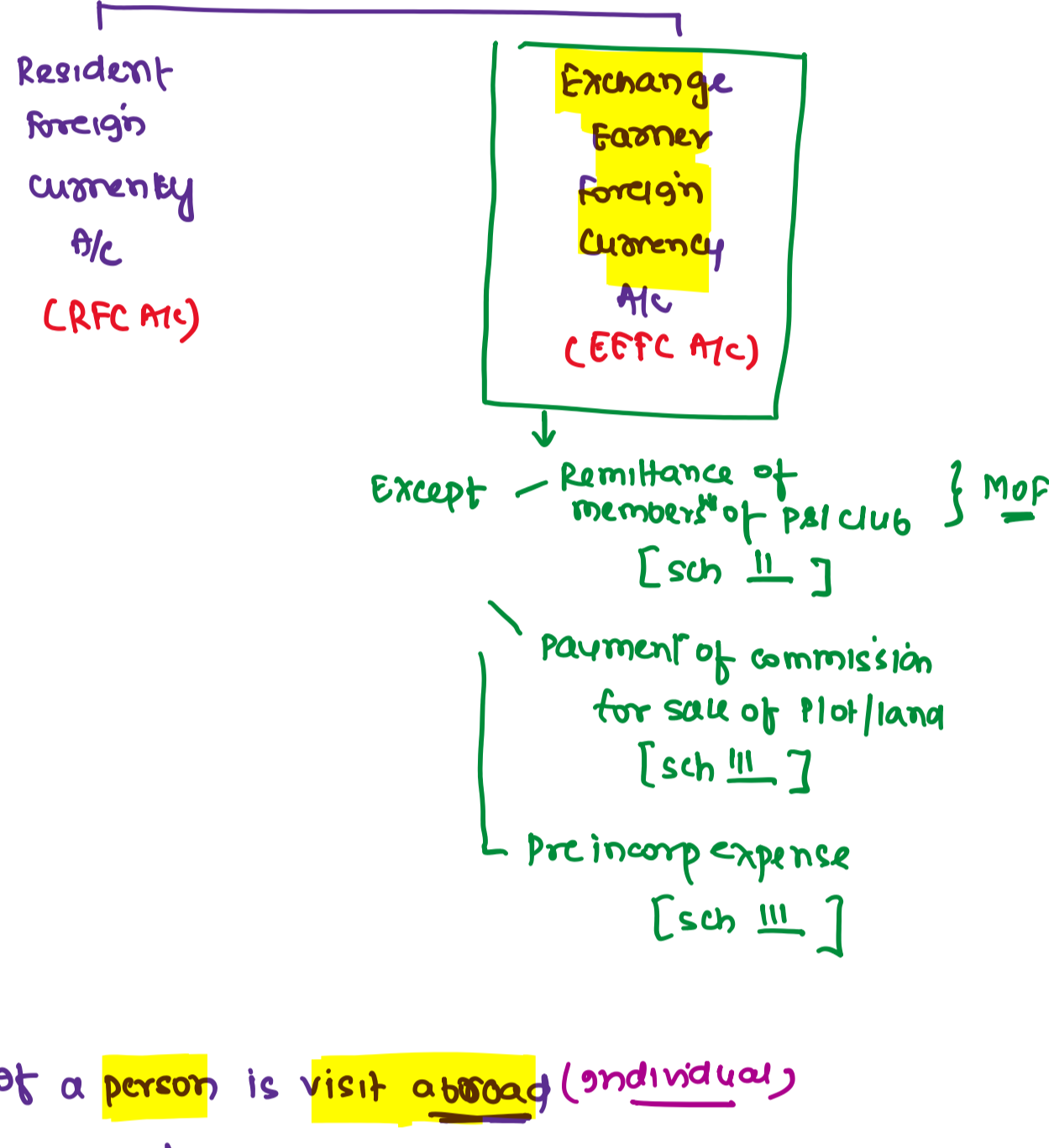
- Donation 1% of forex earnings (3 years) or $\$5mn$ \downarrow
- commission 5% of inward remittance or $\$25000$ \uparrow
- consultancy $\$10mn$ / $\$1mn$
- pre-incorp 5% of investment or $\$100k$ \uparrow

Note:

1. Limit of $\$250K$ irrelevant in case of other than individual.

Imp (mca pakka)

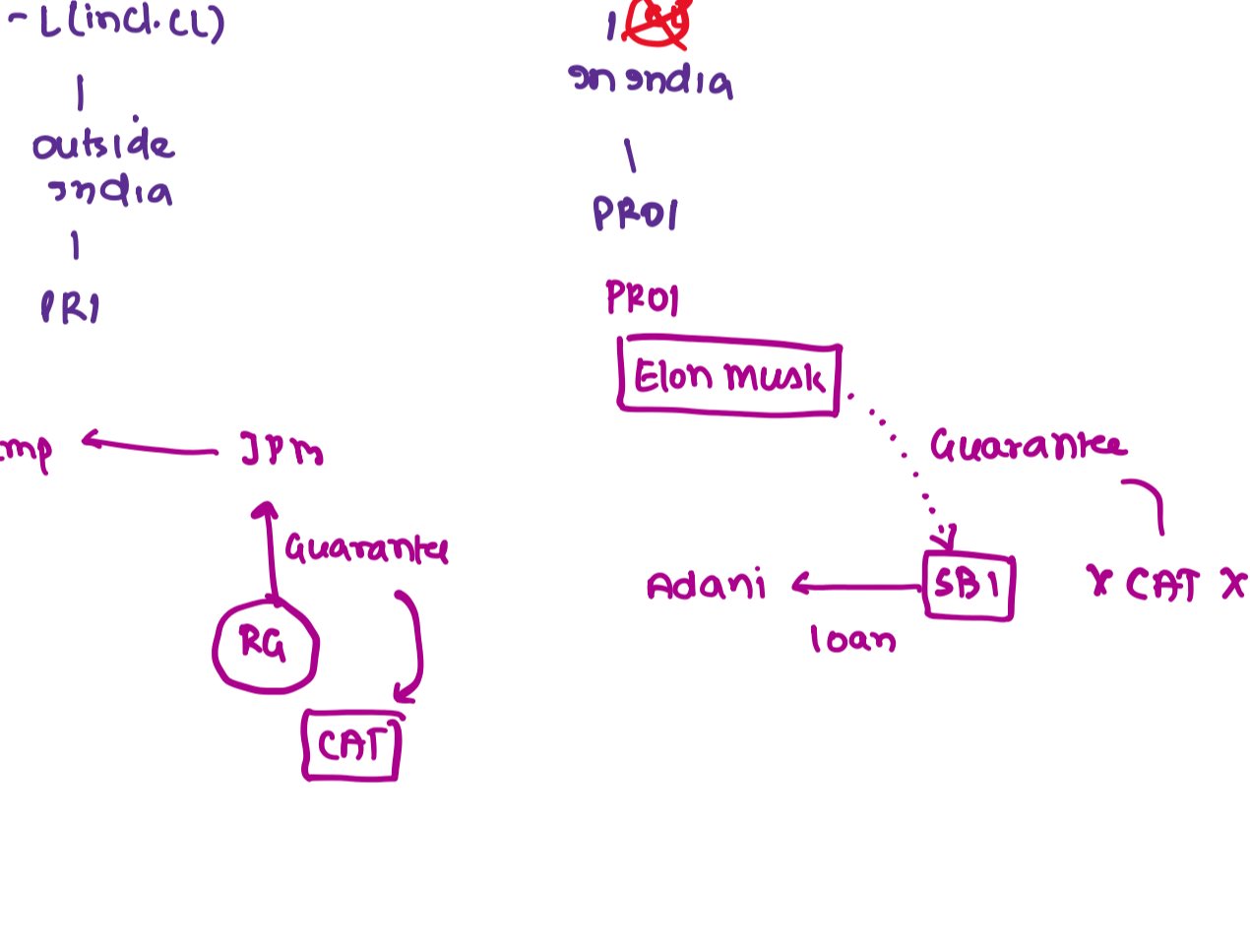
2. Approved for transaction under Sch II & Sch III - N.A if remittance is made from:



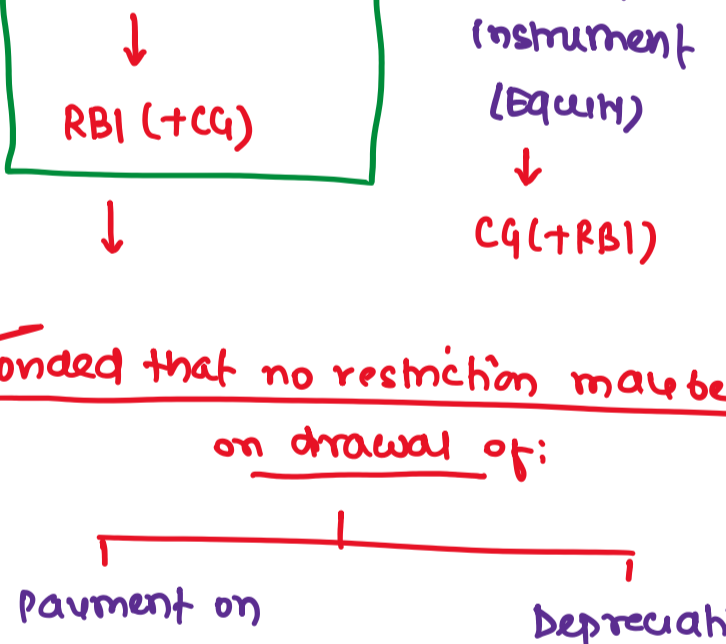
3. If a person is visit abroad (individual)

He can incur expenditure stated in Sch III through International Credit Card (ICC) to the extent of limit on card (No approval required).

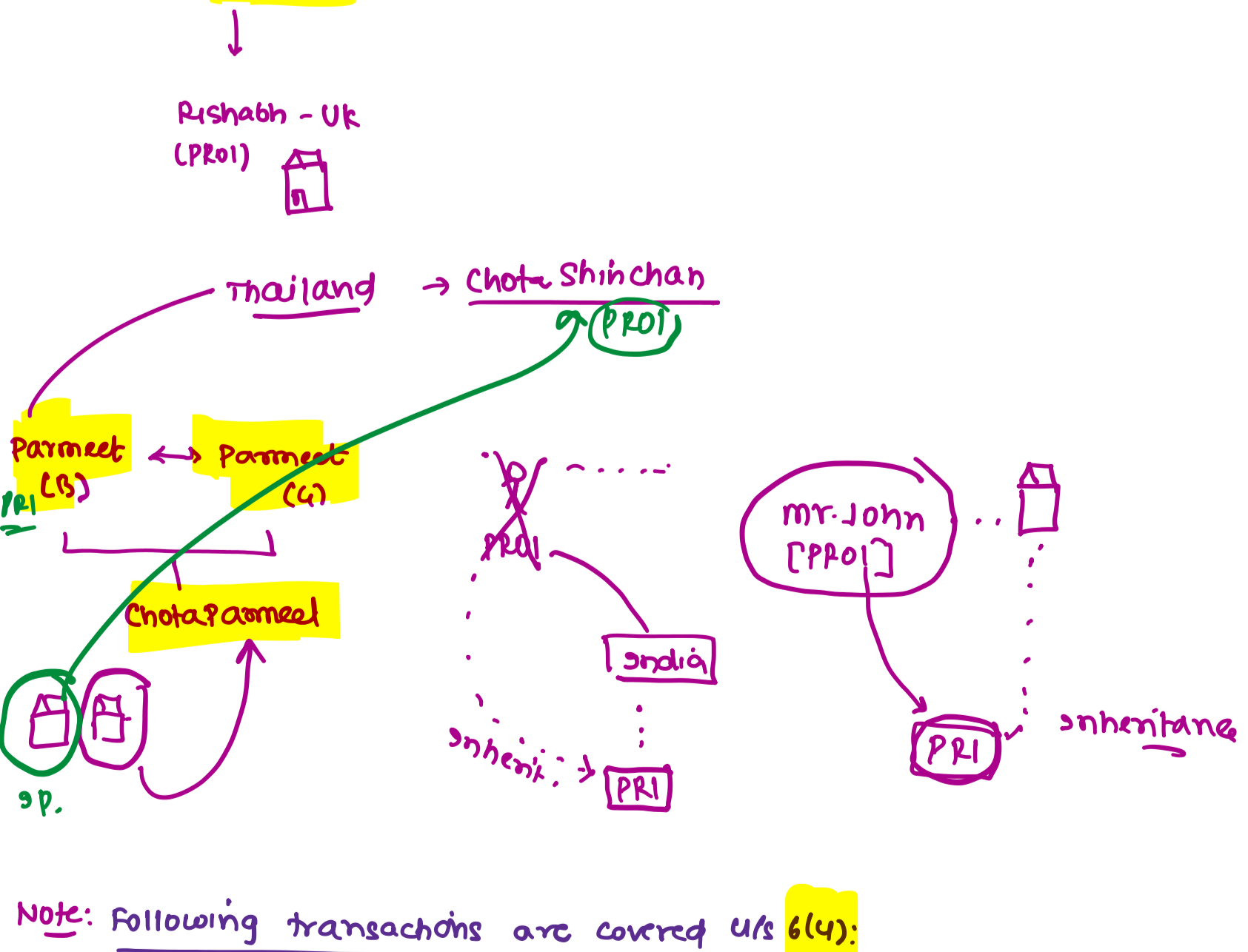
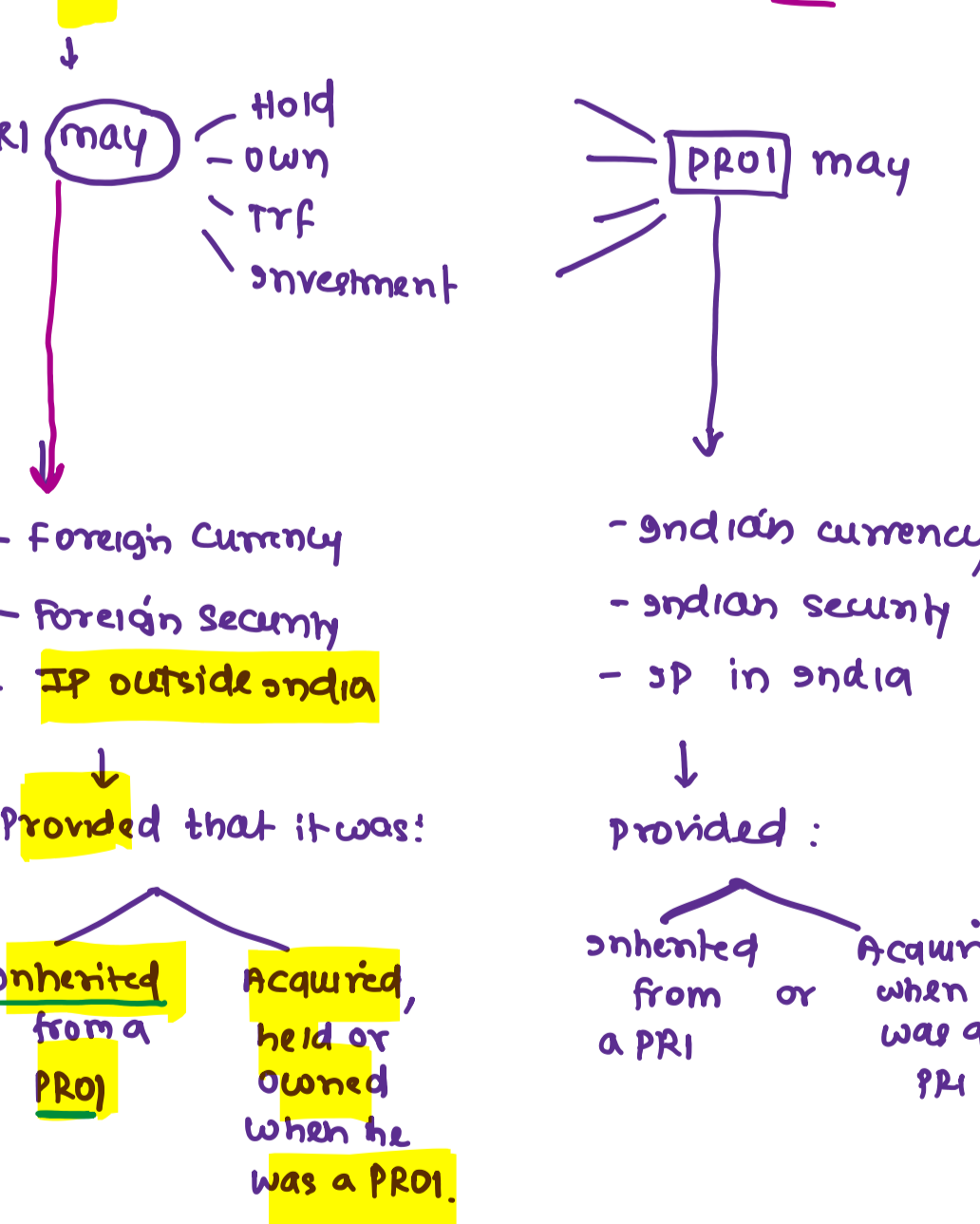
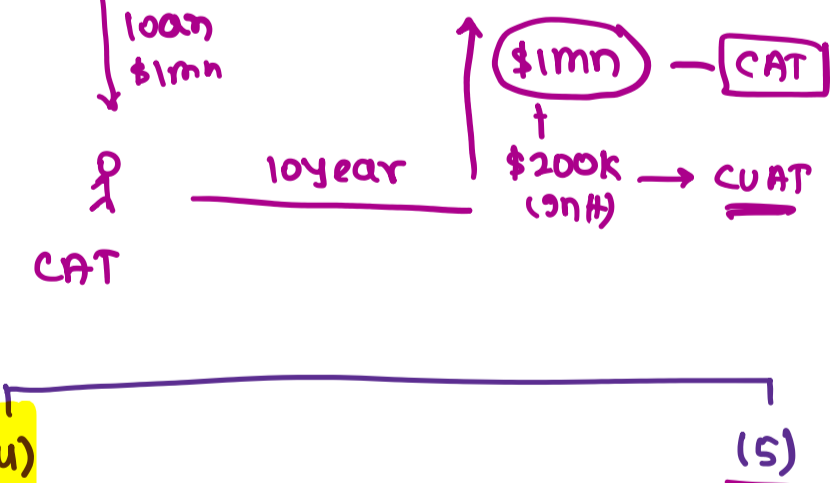
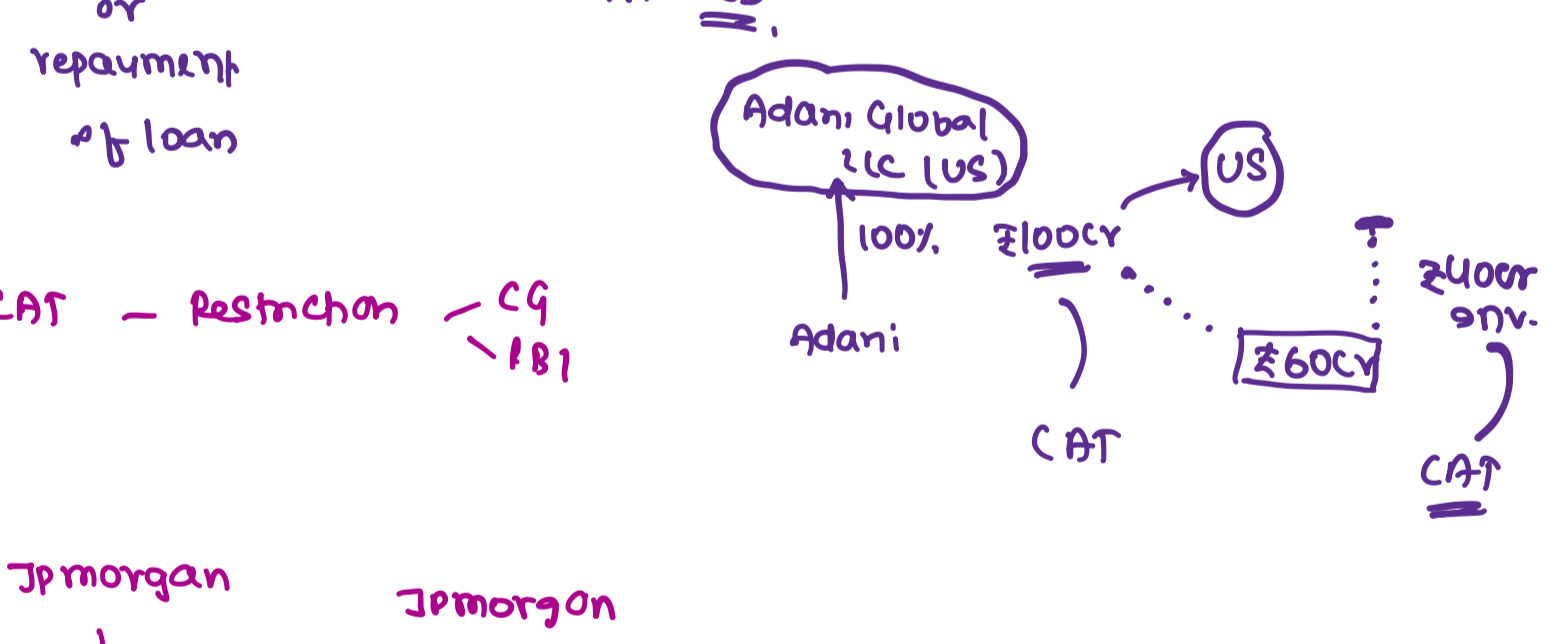
Section 6: Capital Account Transaction :



1. A person may sell or draw forex to/from AP for CAT subject to sub-section (2)
2. RBI (+CG) may place limits/conditions on CAT involving debt
3. CG (+RBI) may place limits/conditions on CAT not involving debt



Imp: Provided that no restriction may be imposed on drawal of:



Note: Following transactions are covered u/s 6(4):

1. FC accounts opened & held when he was a PFI
2. Income from employment/business/vocation when he was a PFI or Gift received when PFI.
3. PFI may freely utilize eligible asset abroad or income therefrom or sales proceed therefrom After their return to india for making fresh investment abroad w/o approval of RBI

Provided that cost of investment is met completely out of eligible assets

