



CIRCULAR

F. No. IFSCA - FMPP0BR/4/2024-Banking /1

February 18, 2025

To,
All Financial Institutions in the International Financial Services Centre (IFSC)

Madam/Sir

Subject: Amendment to the Circular dated January 29, 2025 titled as “Permissible transactions through the Special Non-Resident Rupee (SNRR) accounts of IFSC units – Amendment”

1. Reference may be drawn to the Circular dated January 29, 2025, bearing File No. F No. IFSCA-FMPP0BR/4/2024-Banking /1 titled “Permissible transactions through the Special Non-Resident Rupee (SNRR) accounts of IFSC units – Amendment” (hereinafter referred to as “Circular”).
2. It is hereby decided to make the following amendments to the Circular:
 - a. Clause 2 of the Circular shall be substituted by the following, namely: -

“The erstwhile directions under the Foreign Exchange Management (Deposit) Regulations, 2016 (“the regulations”) permitted the abovementioned SNRR account to be used for business related transactions like administrative expenses in INR outside IFSC, INR amount from sale of scrap, government incentives in INR, etc.”
 - b. Clause 3 of the Circular shall be substituted by the following, namely: -

“3. All Financial Institutions may note that an amendment to the regulations, notified on January 14, 2025¹, now permits a unit in an IFSC under section 18 of the Special Economic Zones Act, 2005 to open an SNRR account with an authorised dealer in India (outside IFSC) for its business related transactions outside IFSC. In this regard, it is clarified that all units in an IFSC shall ensure transacting or receiving the monetary consideration relating to delivery of a financial service (i.e. funds/fees/amount) only through an account maintained with a Banking Unit in IFSC.

4. This circular is issued in exercise of powers conferred by Sections 12 and 13 of the International Financial Services Centres Authority Act, 2019 to develop and regulate the financial products, financial services and financial institutions in the International Financial Services Centres.”

Yours faithfully

(Supriyo Bhattacharjee)
Chief General Manager
Department of Banking Regulation

¹ Foreign Exchange Management (Deposit) (Fifth Amendment) Regulations, 2025 dated January 14, 2025, issued by the Reserve Bank of India (Notification No. FEMA 5(R)(5)/2025-RB)