

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA UNSTARRED QUESTION NO. 562

ANSWERED ON TUESDAY, 07th FEBRUARY, 2023/ MAGHA 18, 1944 (Saka)

RESTRICTION ON MONEY TRANSFER TO FOREIGN COUNTRIES

562. DR. SANTANU SEN:

Will the Minister of Finance be pleased to state:

- (a) the details of the limit set by Government to the money transfer/transaction to foreign countries;
- (b) the details of the steps taken by Government to stop illegal money transfer to foreign countries in the last five years, year-wise;
- (c) the details of the necessary steps taken by Government to prevent sending of more than 2.5 million dollars through crypto exchange in the last three years, year-wise; and
- (d) if no steps have been taken, the reasons therefor?

ANSWER

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): The limits for transfer of money to foreign countries have been prescribed under the provisions of Foreign Exchange Management Act (FEMA), 1999. The details are available at Annexure.

(b): Directorate of Enforcement (ED) takes necessary steps under the provisions of Foreign Exchange Management Act, 1999 (FEMA), Prevention of Money Laundering Act (PMLA), 2002 and Fugitive Economic Offenders Act (FEOA), 2018 to stop illegal money transfer to foreign countries. During the last five years, the Directorate has issued 2933 Show Cause Notices and imposed penalties amounting to Rs. 7872.56 crore in 2477 adjudication orders pertaining to various violations of FEMA including transfer of illegal money to foreign countries. Under PMLA, proceeds of crime amounting to Rs. 33,862.20 crore have been attached and assets amounting to Rs. 15,113.02 crores have been confiscated by the Directorate. Applications have been filed against 15 persons under FEOA, out of which 09 persons have been declared as Fugitive Economic Offenders by the Competent Courts and properties worth Rs. 862.43 crore have been accordingly confiscated.

(c) & (d): Reserve Bank of India (RBI) has been cautioning users, holders and traders on the potential economic, financial, operational, legal, customer protection and security related risks of Virtual Currencies (VCs) vide public notices on 24 December 2013, 01 February 2017 and 05 December 2017. RBI, vide its circular dated 31 May 2021, has advised its regulated entities to carry out due diligence processes for such transactions in line with the specified regulatory standards for Know Your Customer, Anti-Money Laundering, Combating of Financing of Terrorism and obligations under PMLA, 2002 etc.

ANNEXURE

Sr. No	Category	Limit
1.	Resident Individuals – (Under the Liberalised Remittance Scheme)	USD 2,50,000 per Financial Year
2.	Remittances by citizen of foreign state, individuals not being NRIs/ PIOs or a citizen of Nepal or Bhutan (as per regulation 4.1 of notification 13(R) on Foreign Exchange Management (Remittance of Assets) Regulations, 2016 dated April 1, 2016.	USD one million per Financial Year.
3.	Remittances by NRIs/ PIOs (as per regulation 4.2 of notification 13(R) on Foreign Exchange Management (Remittance of Assets) Regulations, 2016 dated April 1, 2016	USD one million per Financial Year.
4.	Remittances by foreign student (as per regulation 4.1.iv of notification 13(R) on Foreign Exchange Management (Remittance of Assets) Regulations, 2016 dated April 1, 2016.	Balance available in his account (provided such balance represents proceeds of remittances received from abroad through normal banking channels or rupee proceeds of foreign exchange brought by such person and sold to an authorised dealer or out of stipend/ scholarship received from the Government or any organisation in India).