प्रेस प्रकाशनी **PRESS RELEASE**

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Permission to hold assets abroad under VDIS: Procedure for FERA clearance

The Government of India has introduced the Voluntary Disclosure of Income Scheme (VDIS), 1997 as indicated in Chapter IV of the Finance Act, 1997. Those wishing to take advantage of the scheme, are, inter alia, required to furnish details of the assets held by them, the name in which the assets are held and the amount. If the assets declared include assets held abroad then such declarants will be required to obtain permission under the provisions of the Foreign Exchange Regulation Act (FERA) to hold assets abroad.

In pursuance of the announced Scheme, it has been decided that declarants will be given permission under FERA to hold:

i. immovable properties up to one house or one flat/apartment;
ii. existing investments in shares, securities, bonds, debentures, and life insurance policies, provided that in the case of insurance policies, bonds and debentures, the maturity value will not be allowed to be reinvested in any manner and should be repatriated to India on maturity and
iii. fixed deposits, provided that they will be allowed to run till their maturity and the proceeds will be repatriated thereafter. Current/savings accounts will be allowed to be maintained if there is need to do so for purposes such as collection of current income on investments, etc., subject to maintenance of minimum necessary balances. Excess over the minimum balance should be repatriated to India.

Those wishing to take advantage of the VDIS and declare assets abroad should aproach the Reserve Bank of India for necessary permission in form FAD-1 indicated in Exchanage Control Manual Vol. II together with a copy of the certificate issued by the Commissioner of Income Tax within 30 days of receiving the certificate.

Alpana Killawala
Deputy General Manager