

RBI/2015-16/249

A.P. (DIR Series) Circular No.30

November 26, 2015

To, All Authorised Dealer Category – I Banks

Madam/ Sir

Advance Remittance for Import of aircrafts /helicopters / other aviation related purchases

Attention of Authorised Dealers Category - I (AD Category - I) banks is invited to clause 3(f) of A. P. (DIR Series) Circular No.77 dated June 29, 2007, in terms of which AD Category I banks could allow advance remittance, without bank guarantee or an unconditional, irrevocable standby letter of credit up to USD 50 million, in the case of import of aircrafts/ helicopters/ other aviation related purchases by scheduled air transport operators permitted by the Director General of Civil Aviation (DGCA), after ensuring that the requisite approval of the Ministry of Civil Aviation (MoCA)/ DGCA / other agencies in terms of the extant Foreign Trade Policy, had been obtained by the company for import.

2. Director General of Foreign Trade vide Notification No. 24/2015-2020 dated October 9, 2015 has announced amendment in Policy condition 1 of Chapter 88 of ITC (HS), 2012-Schedule – 1 (Import Policy). Accordingly, AD Category – I banks may, while allowing advance remittance without bank guarantee or an unconditional, irrevocable standby letter of credit up to USD 50 million, ensure that only the requisite approval of DGCA for import of aircrafts/helicopters in terms of the extant Foreign Trade Policy has been obtained by the company for operating Scheduled or Non-Scheduled Air Transport Services (including Air Taxi Services). In other words, the approval from MoCA will not be required.

3. All other terms & conditions mentioned in the A. P. (DIR Series) Circular No.77 dated June 29, 2007 remain unchanged.

4. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers.

5. The directions contained in this circular have been issued under section 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(A K Pandey)

Chief General Manager