

Benchmarks >

Nifty  LIVE12,255.50 -7.25 

NSE Gainer-Large Cap >

Adani Green Energy ... 

148.90 7.05

FEATURED FUNDS

ICICI Prudential Bluechip

Fund Direct-Growth

★★★★★

5Y RETURN

10.39 %

INVEST NOW

Stock Analysis, IPO, Mutual
Funds, Bonds & More

Market Watch

IFSC banking units can open foreign currency current accounts

BY PTI | UPDATED: DEC 23, 2019, 10:37 PM IST

Post a Comment

Mumbai: The RBI on Monday said IFSC Banking Units can open foreign currency current accounts of entities operating in IFSC and of non-resident institutional investors to facilitate their investment transactions. However, IBUs are not allowed to open savings accounts.

Big Change:

The end of Five-Year Plans: All you need to know

Issuing instructions regarding permissible activities of IBUs, the RBI further said it will not prescribe any limit for raising short-term liabilities from banks.

"However, the IBUs must maintain LCR (Liquidity Coverage Ratio) as applicable to Indian banks on a stand-alone basis and strictly follow the liquidity risk management guidelines issued by RBI to banks," it said.

IBUs can also open foreign currency current accounts (including escrow accounts) of their corporate borrowers subject to the provisions of FEMA 1999 and other applicable regulations.

"However, IBUs cannot raise liabilities from retail customers including high net worth individuals (HNIs)," as per the instructions.

Also, no cheque facility will be available for holders of current accounts in the IBUs. All transactions through these accounts must be undertaken via bank transfers.

Further, the IBUs will be required to scrupulously follow Know Your Customer (KYC), Combating of Financing of Terrorism (CFT) and other anti-money laundering instructions.

Besides, IBUs are prohibited from undertaking cash transactions.

Stay on top of business news with The Economic Times App. [Download it Now!](#)