

F.No.520/23/2010-Cus.VI  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs

159-A, North Block,  
New Delhi - 110001  
13<sup>th</sup> July, 2010

To

All Chief Commissioners of Customs  
All Chief Commissioners of Customs (Prev).  
All Commissioners of Customs (Airport).  
All Commissioners of Customs (Port).  
All Commissioners of Customs & Central Excise.

**Subject: Display at Airports / LCS about prohibition of import / export of Indian currency notes of denomination of above Rs.100 in India and in Nepal - regarding**

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Sir / Madam,

As you may be aware, the export and import of currency notes of Government of India and Reserve Bank of India notes (other than notes of denominations of above Rs.100 in either case) is not allowed to and from Nepal and Bhutan in terms of Notification No. FEMA 6 / RB-2000 dated 3.5.2000 issued under Foreign Exchange Management (Export and Import of Currency) Regulations, 2000 by the Reserve Bank of India. Similarly, the Indian currency notes in the denomination of Rs.1000 and Rs.500 are not permissible for exchange for banking transaction in Nepal in terms of guidelines issued by Ministry of Finance, Government of Nepal and Nepal Rashtra Bank. In fact, the current legal provisions in Nepal provide that notes of these denominations are liable for seizure and the persons carrying them are to be fined or imprisoned for upto three years.

2. Instances have come to the notice of the Board that many Indian nationals travelling to Nepal by Air or by land routes and carrying Indian currency notes of Rs.500 and Rs.1000 denomination primarily due to ignorance of the law, are not only violating the RBI regulations issued in this regard but also get entangled in legal proceedings for possession of these notes in Nepal, like criminal prosecution along with confiscation of such currency notes.

3. The matter has been examined in the Board. In order to check such illegal import / export of currency notes of denomination of above Rs.100 and to prevent harassment and avoidable legal issues, it is felt necessary to educate / sensitize the people travelling between Nepal and India through Air or land routes regarding aforementioned legal provisions. Accordingly, since the import and export of Indian currency notes of denomination of above Rs.100/- (in either case) is prohibited as per Indian law and the use of Indian currency notes of denomination of Rs.500 and Rs.1000 is also prohibited in Nepal, Board hereby desires that at prominent places at the Airports and Land Customs Stations in India from where the passengers depart, to put up a display / notice board mentioning that *"Import / export of Indian currency notes of the denomination of above Rs. 100 from / to Nepal is prohibited and would attract penal provisions. The use of such currency notes of the denomination of Rs.1000 and Rs.500 is also prohibited in Nepal. Therefore, these notes are liable to be seized and the persons carrying them are liable to be fined or imprisoned for upto three years in Nepal."*

4. The concerned airlines can also be requested to sensitize the passengers at the time of departure by displaying such advisory at their Check-in Counters.

Yours faithfully,

( R. P. Singh )  
Director (Customs)

**Corrigendum to  
Circular No.19/2010-Customs**

F.No.520/23/2010-Cus.VI  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs

159-A, North Block,  
New Delhi - 110001.  
6<sup>th</sup> August, 2010.

To

All Chief Commissioners of Customs  
All Chief Commissioners of Customs (Prev).  
All Commissioners of Customs (Airport).  
All Commissioners of Customs (Port).  
All Commissioners of Customs & Central Excise.

**Subject: Display at Airports / LCS about prohibition of import / export of Indian currency notes of denomination of above Rs.100 in India and in Nepal - regarding**

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Sir / Madam,

Your kind attention is invited to the Circular No.19/2010-Customs dated 13.7.2010 on the above subject.

2. In partial modification, the Para 1 of the above-mentioned Circular should now be read as under:

"As you may be aware, the export and import of currency notes of Government of India and Reserve Bank of India of denominations of above Rs.100 is not allowed to and from Nepal and Bhutan in terms of Notification No. FEMA 6 / RB-2000 dated 3.5.2000 issued under Foreign Exchange Management (Export and Import of Currency) Regulations, 2000 by the Reserve Bank of India. Similarly, the Indian currency notes of the denomination of Rs.1000 and Rs.500 are not permissible for exchange for banking transaction in Nepal in terms of guidelines issued by Ministry of Finance, Government of Nepal and Nepal Rashtra Bank. In fact, the current legal provisions in Nepal provide that notes of these denominations are liable for seizure and the persons carrying them are to be fined or imprisoned for upto three years."

3. The other contents of the Circular would remain the same.

Yours faithfully,

( R. P. Singh )  
Director (Customs)