

**RESERVE BANK OF INDIA  
FOREIGN EXCHANGE DEPARTMENT  
CENTRAL OFFICE  
MUMBAI – 400 001**

RBI/2004-05/ 222

A.P.(DIR Series) Circular No.18

October 16, 2004

To

All Authorised Dealers in Foreign Exchange

Madam / Sirs,

**Foreign Exchange Management Act, 1999 - Amendments**

We advise that the nomenclature of the Exchange Control Department of the Reserve Bank of India was changed from 'Exchange Control Department' to 'Foreign Exchange Department' with effect from January 31, 2004. The Government of India has since published the Notification No.FEMA.123/2004-RB dated September 9, 2004, vide G.S.R.626(E) in the Official Gazette dated September 21, 2004 (copy enclosed), to notify the above change.

2.. Attention of Authorised Dealers is also invited to the A.P.(DIR Series) circular No.76 dated February 24, 2004, wherein it was mentioned that necessary amendment/s to the Foreign Exchange Management (Current Account Transactions) Rules, 2000 were being issued separately. The relevant amendments have since been issued by Reserve Bank and notified by the Government, in the Official Gazette, vide G.S.R.No.608(E) dated September 13, 2004 (copy enclosed).

3. Authorised Dealers may bring the contents of this circular to the notice of their constituents and customers concerned.

4. The direction contained in this circular has been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**Grace Koshie**

Chief General Manager

**The Gazette of India**  
**EXTRAORDINARY**  
**PART II - Section 3 - Sub-section (i)**

**PUBLISHED BY AUTHORITY**

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No.399

NEW DELHI, MONDAY, SEPTEMBER 13, 2004  
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**MINISTRY OF FINANCE**  
**(Department of Economic Affairs)**  
**NOTIFICATION**  
New Delhi, the 13<sup>th</sup> September 2004

G.S.R.608(E).-- In exercise of the powers conferred by sub-section (1) and clause (a) of sub-section (2) of section 46 read with proviso to section 5 of the Foreign Exchange Management Act, 1999 (42 of 1999) and in consultation with the Reserve Bank, the Central Government, having considered it necessary in the public interest, hereby makes the following amendments in the Foreign Exchange Management (Current Account Transactions) Rules, 2000, namely :-

1. (1) These rules may be called the Foreign Exchange Management (Current Account Transactions) (Amendment) Rules, 2004.  
(2) They shall come into force from the date of their publication in the Official Gazette.
2. In the Foreign Exchange Management (Current Account Transactions) Rules, 2000,
  - (a) in Schedule II,
    - (i) after item number 5 and the entries relating thereto, the following item number and the entries shall be inserted, namely : -  

"6. Remittance of hiring charges of transponders by

(a) TV Channels	Ministry of Information and Broadcasting
(b) Internet service providers	Ministry of Communication and Information Technology"
    - (ii) Item number 10 and the entries relating thereto shall be omitted;
  - (b) in Schedule III,
    - (i) item number 1 and the entries relating thereto shall be omitted;
    - (ii) for item number 11 and the entries relating thereto, the following item number and the entries shall be substituted, namely :-  

"11. Commission, per transaction, to agents abroad for sale of residential flats or commercial plots in India exceeding USD 25,000 or 5% of the inward remittance whichever is more.";
    - (iii) Item numbers 12, 13 and 14 and the entries relating to each of items numbers shall be omitted;
    - (iv) for item number 16 and the entries relating thereto, the following item numbers and the entries shall be substituted, namely:-

"16. Remittance for purchase of trademark or franchise in India";

- (v) item number 18 and the entries relating thereto shall be omitted.

[No.F.1/2/EM/2004]

U.K. SINHA, Jt.Secy.

**Note :-** The principal rules were published in the Gazette of India, Extraordinary Part II, section 3(i) vide number G.S.R.381(E), dated the 3<sup>rd</sup> May 2000 and subsequently amended last vide G.S.R.731(E) dated the 5<sup>th</sup> September 2003.

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PART II - Section 3 - Sub-section (i)**

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NEW DELHI, TUESDAY, SEPTEMBER 21, 2004  
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**MINISTRY OF FINANCE  
(Department of Economic Affairs)  
(RESERVE BANK OF INDIA)  
(Foreign Exchange Department)  
(Central Office)  
NOTIFICATION  
Mumbai, the 9<sup>th</sup> September 2004  
No.FEMA.123/2004-RB**

G.S.R.626(E).-- In exercise of the powers conferred by clause (h) of sub-section (2) of 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and pursuant to change of nomenclature of Exchange Control Department of Reserve Bank of India from "Exchange Control Department" to "Foreign Exchange Department", the Reserve Bank hereby notifies that with effect from January 31, 2004, the words "Exchange Control Department" and "ECD" appearing in the Regulations notified from time to time by Reserve Bank of India, shall be read as "Foreign Exchange Department" and "FED", respectively.

[No.1/23/EM/2000-Vol.III]  
SHYAMALA GOPINATH, Executive Director