

**RESERVE BANK OF INDIA  
(FOREIGN EXCHANGE DEPARTMENT)  
CENTRAL OFFICE  
MUMBAI-400 001**

**Notification No. FEMA 135/2005-RB**

**dated : May 17, 2005**

**Foreign Exchange Management (Transfer or Issue of any  
Foreign Security) (Second Amendment) Regulations, 2005**

In exercise of the powers conferred by clause (a) of Sub-section (3) of Section 6 and Sub-section (2) of Section 47 of the Foreign Exchange Management Act 1999, (42 of 1999) and in partial modification of its Notification No.FEMA120/RB-2004 dated 7th July 2004, the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004, namely:

**1. Short title and commencement :-**

- (i) These Regulations may be called the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) (Second Amendment) Regulations, 2005.
- (ii) They shall come in force from the date of their publication in the Official Gazette.

**2. Amendment to the Regulations :-**

In the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 :-

- (i) In Regulation 6, in sub-regulation 2, in the Explanation to clause (i) the following shall be substituted :
  - (a) "Explanation : For the purpose of determining 'total financial commitment' within the limit of 100% of the net worth, the following shall be reckoned, namely:"
  - (b) For sub clause (a), the following shall be substituted :

"(a) remittance by market purchases, namely in freely convertible currencies; in case of Bhutan, investment made in freely convertible currencies or equivalent Indian Rupees; in case of Nepal investment made only in Indian Rupees."
- (ii) In Regulation 15, after clause (ii) the following proviso may be added.

"Provided that in the case of investment in securities in Bhutan made in freely convertible currency, all dues receivable thereon as are repatriable, including those on account of disinvestment / dissolution / winding up, shall be realised and repatriated in freely convertible currency only."

**(F.R. Joseph)  
Chief General Manager**

**FOOT NOTE**

The principal Regulations were published in the Official Gazette vide G.S.R.No.456(E) dated May 8, 2000 in Part II, Section 3, Sub-Section (i) which has been superseded vide G.S.R.No.757(E) published in the Official Gazette dated November 19, 2004 and subsequently amended vide G.S.R.No.220(E) dated 7 April 2005.

**Published in the Official Gazette of Government  
of India - Extraordinary - Part-II, Section 3,  
Sub-Section (i) dated 27.05.2005 - G.S.R.No.337(E)**