

**RESERVE BANK OF INDIA
FOREIGN EXCHANGE DEPARTMENT
CENTRAL OFFICE
MUMBAI**

Notification No.FEMA 147 /RB-2006

dated March 16 , 2006

**Foreign Exchange Management (Foreign Exchange Derivative Contracts)
(Amendment) Regulations, 2006.**

In exercise of the powers conferred by clause (h) of sub-section 2 of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000, (Notification No.FEMA 25/RB-2000 dated May 3, 2000) namely:-

1. **Short Title and Commencement:**

(i) These Regulations may be called the Foreign Exchange Management (Foreign Exchange Derivative Contracts) (Amendment) Regulations, 2006.

(ii) They shall come in to force from June 23, 2005*.

2. **Amendment of the Regulations**

In the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 (Notification No. FEMA 25/RB-2000 dated May 3, 2000) in Schedule I in paragraph 'A' in item No.1, for sub-item (h) the following shall be substituted, namely:-

"(h) Contracts involving the rupee as one of the currencies, once cancelled, shall not be rebooked except as otherwise permitted by the Reserve Bank from time to time although they can be rolled over at on-going rates on or before maturity. Such contracts booked by residents to hedge current account transactions, regardless of tenor, not being those booked on past performance basis without documents or booked to hedge transactions denominated in foreign currency but settled in Indian Rupee, may be cancelled and rebooked freely at on going rates. Contracts covering export transactions may also be cancelled, rebooked or rolled over at on going rates without any restriction."

(Vinay Bajjal)
Chief General Manager

Footnote:-

1.* It is clarified that no person will be adversely affected as a result of retrospective effect being given to these Regulations.

2. The principal regulations were published in the Official Gazette vide GSR No.411(E) dated May 8, 2000 in Part II, Section 3, sub-section (i) and subsequently amended vide –

GSR No.756(E) dt. 28.9.2000,
GSR No.264(E) dt. 09.4.2002,
GSR No.579(E) dt. 19.8.2002,
GSR No.222(E) dt. 18.3.2003,
GSR No.532(E) dt. 09.7.2003,
GSR No.880(E) dt. 11.11.2003,
GSR No.881(E) dt. 11.11.2003. and
GSR No.750(E) dt. 28.12.2005.

**Published in the Official Gazette of Government
of India - Extraordinary - Part-II, Section 3,
Sub-Section (i) dated 19.04.2006 - G.S.R.No.222(E)**