

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

Notification No. FEMA. 154 /2007- RB

dated: June 07, 2007

**Foreign Exchange Management (Foreign Currency Account by a
Person Resident in India) (Amendment) Regulations, 2007**

In exercise of the powers conferred by clause (b) of Section 9 and clause (e) 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 to Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2000 (Notification No. FEMA 10/2000-RB dated 3rd May 2000), as amended from time to time, namely:

1. Short Title and Commencement :

- (i)** These Regulations may be called the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) (Amendment) Regulations, 2007.
- (ii)** They shall be deemed to have come into force from the date(s) specified hereunder.

2. Amendment of the Regulations :

In the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2000 (herein after called 'the principal regulations'),

- (1)** in the Schedule, for paragraph (1), the following paragraph shall be substituted, namely :

"(1) A person resident in India may credit to the EEFC Account with an Authorised Dealer in India 100 percent of the foreign exchange earnings as specified in sub-paragraph (1A)."

This shall be deemed to have come into force with effect from 30th November 2006.

- (2)** in regulation 7, in sub-regulation 4A the proviso, in clause (b)

(a) in sub-clause (i) for the figure "2" the figure "10" shall be substituted.

(b) in sub-clause (ii) for the figure "1" the figure "5" shall be substituted

This shall be deemed to have come into force with effect from 21st April 2006.

- (3)** in regulation 7, in sub-regulation 4A, in the proviso, in clause (b), sub-clause (i) and sub-clause (ii) – shall be substituted by the following, namely –

" i) 15 per cent of the average annual sales/income or turnover of the Indian entity during the last two financial years or up to 25 per cent of the net worth, whichever is higher, where the remittances are made to meet initial expenses of the branch or office or representative.

and

ii) 10 per cent of such average annual sales/income or turnover during the last financial years where the remittances are made to meet recurring expenses of the branch or office or representative; "

This shall be deemed to have come into force with effect from 4th December 2006.

(Salim Gangadharan)
Chief General Manager

Footnote:

- (i) It is clarified that no person will be adversely affected as a result of retrospective effect being given to these Regulations.
- (ii) The Principal Regulations were published in the Official Gazette vide G.S.R.No 393(E) dated May 5, 2000 in Part II, Section 3, Sub-section (i) and subsequently amended vide -

G.S.R.No.675(E) dated August 25, 2000;
G.S.R.No.89(E) dated February 12,2001;
G.S.R.No.103(E) dated February 19, 2001;
G.S.R.No.200(E) dated March 21, 2001;
G.S.R.No.5(E) dated January 2,2002;
G.S.R.No.261(E) dated April 9, 2002;
G.S.R.No.465(E) dated July 2, 2002;
G.S.R.No.474(E) dated July 8, 2002;
G.S.R.No.755(E) dated November 8, 2002;
G.S.R.No.756(E) dated November 8, 2002;
G.S.R.No.224(E) dated March 18, 2003;
G.S.R.No.398(E) dated May 14, 2003;
G.S.R.No.452(E) dated June 3, 2003;
G.S.R.No.453(E) dated June 4, 2003;
G.S.R.No.11(E) dated January 7, 2004;
G.S.R.No.13(E) dated January 7, 2004 and
G.S.R.No.209(E) dated March 23, 2004.

**Published in the Official Gazette of Government of
India – Extraordinary – Part-II, Section 3,
Sub-Section (i) dated 30.06.2007 - G.S.R.No. 455(E)**