

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

**Notification No.FEMA. 158 /2007-RB**

**Dated September 3, 2007**

**Foreign Exchange Management (Deposit) (Second Amendment)  
Regulations, 2007**

In exercise of the powers conferred by clause (f) of sub-section (3) of section 6, 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 (Deposit) Regulations, 2000 (Notification No.FEMA.5/2000-RB dated May 3, 2000) namely:-

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

- (i) These Regulations may be called the Foreign Exchange Management (Deposit) (Second Amendment) Regulations, 2007.
- (ii) They shall be deemed to have come into force from May 25, 2007 @

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

In the Foreign Exchange Management (Deposit) Regulations, 2000, in Schedule 3, after paragraph 7, the following new paragraph shall be inserted namely:-

“7(A). Operations by Power of Attorney

Authorised dealers / authorized banks may allow operations on an NRO account in terms of a Power of Attorney, provided such operations are restricted to (i) all local payments in rupees including payments for eligible investments subject to compliance with relevant regulations made by the Reserve Bank; and (ii) remittance outside India of current income in India of the non-resident individual account holder, net of applicable taxes. The resident Power of Attorney holder shall not repatriate outside India funds held in the account under any circumstances other than to the non-resident individual account holder himself nor shall make payment by way of gift to a resident on behalf of the non-resident account holder or transfer funds from the account to another NRO account. Any remittance outside India shall be within the ceiling as may be prescribed by the Bank from time to time and subject to tax compliance”.

**(Salim Gangadharan)  
Chief General Manager**

**Foot Note:**

(i) @ It is clarified that no person will be adversely affected as a result of retrospective effect being given to such regulations.

(ii) The Principal Regulations were published in the Official Gazette vide G.S.R.No.388(E) dated May 5, 2000 and subsequently amended vide:

- (a) G.S.R. No.262(E) dated April 9, 2002,
- (b) G.S.R. No.577(E) dated August 19, 2002,
- (c) G.S.R. No.855(E) dated December 31, 2002,
- (d) G.S.R. No.494(E) dated August 4, 2004,
- (e) G.S.R. No.221(E) dated April 7, 2005,
- (f) G.S.R. No.663(E) dated November 14, 2005 and
- (g) G.S.R. No. 28(E) dated January 19, 2006
- (h) G.S.R.No.495(E) dated July 23, 2007

**Published in the Official Gazette of Government  
of India – Extraordinary – Part-II, Section 3,  
Sub-Section (i) dated 16.10.2007 - G.S.R.No. 664 (E)**