

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

Notification No.FEMA. 174 /2008-RB

Dated: January 25, 2008

**Foreign Exchange Management (Foreign Currency Accounts by a person resident in India)
(Amendment) Regulations, 2008**

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), Reserve Bank of India makes the following amendment to the 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, 2008.

(ii) They shall be deemed to have come into force with effect from April 30, 2007. @

2. Amendment of the Regulations :-

In the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations, 2000, Regulation 6 shall be substituted by the following, namely :

“ 6. Opening, holding and maintaining a Foreign Currency Account in India in certain other cases:
(1) A shipping or airline company incorporated outside India or its agent in India, may open, hold and maintain a Foreign Currency Account with an authorized dealer in India for meeting the local expenses in India of such airline or shipping company:

Provided that the credits to such accounts are only by way of freight or passage fare collections in India or by inward remittances through normal banking channels from its office outside India and, in the case of agent, from his principal outside India.

(2). An authorized dealer in India may, subject to the directions as may be issued by the Reserve Bank, allow ship-manning / crew managing agencies in India to open and maintain non-interest bearing foreign currency accounts in India for the purpose of undertaking transactions in the ordinary course of their business.”

(Salim Gangadharan)
Chief General Manager

Foot Note:

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 G.S.R. No. 393(E) dated May 5, 2000 in Part II, Section 3, Sub-section (i) and subsequently amended vide

- (a) G.S.R. No. 675(E) dated August 25, 2000,
- (b) G.S.R. No. 89(E) dated February 12, 2001,
- (c) G.S.R. No. 103(E) dated February 19, 2001,
- (d) G.S.R. No. 200(E) dated March 21, 2001,
- (e) G.S.R. No. 5(E) dated January 2, 2002,
- (f) G.S.R. No. 261(E) dated April 9, 2002,
- (g) G.S.R. No. 465(E) dated July 2, 2002,
- (h) G.S.R. No. 474(E) dated July 8, 2002,
- (i) G.S.R. No. 755(E) dated November 8, 2002
- (j) G.S.R. No. 756(E) dated November 8, 2002
- (k) G.S.R. No. 224(E) dated March 18, 2003,
- (l) G.S.R. No. 398(E) dated May 14, 2003
- (m) G.S.R. No. 452(E) dated June 3, 2003,
- (n) G.S.R.No. 453(E) dated June 4,2003,
- (o) G.S.R.No.11(E) dated January 7,2004,
- (p) G.S.R.No.13(E) dated January 7,2004
- (q) G.S.R.No.209(E) dated March 23,2004.
- (r) G.S.R. No. 455(E) dated June 30, 2007

**Published in the Official Gazette of Government
of India – Extraordinary – Part-II, Section 3,
Sub-Section(i) dated 15.2.2008 - G.S.R.No. 92 (E)**