



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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RBI/2024-25/36

A.P. (DIR Series) Circular No. 7

May 21, 2024

To

All Authorised Dealer Category – I banks

Madam / Sir

**Issuance of partly paid units to persons resident outside India by investment vehicles under Foreign Exchange Management (Non-debt Instruments) Rules, 2019**

Attention of Authorised Dealer (AD) Category - I banks is invited to the [Foreign Exchange Management \(Non-debt Instruments\) Rules, 2019](#), notified by the Central Government on October 17, 2019, which have been amended through the Foreign Exchange Management (Non-debt Instruments) (Second Amendment) Rules, 2024 vide S.O. 1361(E), dated March 14, 2024, enabling issuance of partly paid units to persons resident outside India by investment vehicles.

2. In this regard, it has been decided to regularise the issuances of partly paid units by Alternative Investment Funds to persons resident outside India prior to the said amendment through compounding under Foreign Exchange Management Act, 1999. However, before approaching the Reserve Bank for compounding, AD Category-I banks may ensure that the necessary administrative action, including the reporting of such issuances by Alternative Investment Funds to the Reserve Bank, through Foreign Investment Reporting and Management System (FIRMS) Portal and issuing of conditional acknowledgements for such reporting, is completed.

3. AD Category-I banks may bring the contents of this circular to the notice of their customers / constituents concerned.

4. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully

**(Dr. Aditya Gaiha)**  
Chief General Manager-in-Charge