

**Reserve Bank of India
Foreign Exchange Department
Central office
Mumbai**

Notification No.FEMA.330/ 2014-RB

Dated: December 15, 2014

Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) (Seventeenth Amendment) Regulations, 2014

In exercise of the powers conferred by clause (b) of sub-section (3) of Section 6 and Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India hereby makes the following amendments in the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 ([Notification No. FEMA.20/2000-RB dated May 3, 2000](#)), (hereinafter referred to as 'the principal Regulations') namely:-

1. Short Title & Commencement

(a) These Regulations may be called the Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) (Seventeenth Amendment) Regulations, 2014.

(b) They shall come into force from December 15, 2014.

2. Amendment of the Regulations:-

In the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000, (Notification No. FEMA 20/2000-RB, dated 3rd May, 2000),

I. In Regulation 2:

a) after clause (iic), the following new clause shall be inserted, namely:-

“(iicc) ‘Domestic Custodian’ means a custodian of securities, an Indian depository, a depository participant, or a bank and having permission from SEBI to provide services as custodian.”

b) after clause (iid), the following clause shall be inserted, namely:-

“(iidd) ‘Depository Receipt’ means a foreign currency denominated instrument, whether listed on an international exchange or not, issued by a foreign depository in a permissible jurisdiction on the back of eligible securities issued or transferred to that foreign depository and deposited with a domestic custodian and includes ‘global depository receipt’ as defined in section 2(44) of the Companies Act, 2013.”

II. For the existing Regulation 13 the following shall be substituted:

“13. Issue of Depository Receipts.

13A. An eligible person may issue or transfer eligible securities to a foreign depository for the purpose of issuance of depository receipts in terms of Depository Receipts Scheme, 2014, subject to the terms and conditions specified in Schedule 10.

13B. An eligible company resident outside India may issue IDRs through a Domestic Depository, to persons resident in India and outside India, subject to the terms and conditions specified in Para 1 of Schedule 7.”

III. In Regulation 14, in sub-regulation 5, in clause (vi) for the words “under Schedule 1,2,3,6 and 8”, the words, “under Schedule 1,2,3,6, 8 and 10” shall be substituted.

3. Amendment to Schedule 1

In the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 (Notification No. FEMA.20/2000-RB dated May 3, 2000), in Schedule 1,

- a) paragraph 4, 4A and 4B shall be deleted.
- b) paragraph 6 shall be deleted.
- c) in Annex B, in entry no. 7.5 for the words , “American Depository Receipts (ADRs), Global Depository Receipts (GDRs)”, the words “Depository Receipts issued under Schedule 10 of these Regulations with equity shares or compulsorily and mandatorily convertible preference shares or compulsory and mandatorily convertible debentures or warrant or any other security in which foreign direct investment can be made in terms of Schedule1 of the principal Regulations, as underlying” shall be substituted.
- d) in Annex B, in entry no. F.2.2, for the words “GDR/ADR”, the words “Depository Receipts issued under Schedule 10 of these Regulations with equity shares or compulsorily and mandatorily convertible preference shares or compulsory and mandatorily convertible debentures or warrant or any other security in which foreign direct investment can be made in terms of Schedule1 of the principal Regulations, as underlying” shall be substituted.

4. After the existing Schedule 9, new “Schedule 10” shall be inserted.

(B.P. Kanungo)

Principal Chief General Manager

Foot Note:-

The Principal Regulations were published in the Official Gazette vide G.S.R. No.406 (E) dated May 8, 2000 in Part II, Section 3, sub-Section (i) and subsequently amended as under:-

G.S.R.No. 158(E) dated 02.03.2001

G.S.R.No. 175(E) dated 13.03.2001

G.S.R.No. 182(E) dated 14.03.2001

G.S.R.No. 4(E) dated 02.01.2002

G.S.R.No. 574(E) dated 19.08.2002

G.S.R.No. 223(E) dated 18.03.2003

G.S.R.No. 225(E) dated 18.03.2003

G.S.R.No. 558(E) dated 22.07.2003

G.S.R.No. 835(E) dated 23.10.2003

G.S.R.No. 899(E) dated 22.11.2003

G.S.R.No. 12(E) dated 07.01.2004

G.S.R.No. 278(E) dated 23.04.2004

G.S.R.No. 454(E) dated 16.07.2004

G.S.R.No. 625(E) dated 21.09.2004

G.S.R.No. 799(E) dated 08.12.2004

G.S.R.No. 201(E) dated 01.04.2005

G.S.R.No. 202(E) dated 01.04.2005

G.S.R.No. 504(E) dated 25.07.2005

G.S.R.No. 505(E) dated 25.07.2005

G.S.R.No. 513(E) dated 29.07.2005

G.S.R.No. 738(E) dated 22.12.2005

G.S.R.No. 29(E) dated 19.01.2006

G.S.R.No. 413(E) dated 11.07.2006

G.S.R.No. 712(E) dated 14.11.2007

G.S.R.No. 713(E) dated 14.11.2007

G.S.R.No. 737(E) dated 29.11.2007

G.S.R.No. 575(E) dated 05.08.2008

G.S.R.No. 896(E) dated 30.12.2008

G.S.R.No. 851(E) dated 01.12.2009

G.S.R.No. 341 (E) dated 21.04.2010

G.S.R.No. 821 (E) dated 10.11.2012

G.S.R.No. 606(E) dated 03.08.2012

G.S.R.No. 795(E) dated 30.10.2012

G.S.R.No. 796(E) dated 30.10.2012
G.S.R. No. 797(E) dated 30.10.2012
G.S.R.No. 945 (E) dated 31.12.2012
G.S.R. No.946(E) dated 31.12.2012
G.S.R. No.38(E) dated 22.01.2013
G.S.R.No.515(E) dated 30.07.2013
G.S.R.No.532(E) dated 05.08.2013
G.S.R. No.341(E) dated 28.05.2013
G.S.R.No.344(E) dated 29.05.2013
G.S.R. No.195(E) dated 01.04.2013
G.S.R.No.393(E) dated 21.06.2013
G.S.R.No.591(E) dated 04.09.2013
G.S.R.No.596(E) dated 06.09.2013
G.S.R.No.597(E) dated 06.09.2013
G.S.R.No.681(E) dated 11.10.2013
G.S.R.No.682(E) dated 11.10.2013
G.S.R. No.818(E) dated 31.12.2013
G.S.R. No.805(E) dated 30.12.2013
G.S.R.No.683(E) dated 11.10.2013
G.S.R.No.189(E) dated 19.03.2014
G.S.R.No.190(E) dated 19.03.2014
G.S.R.No.270(E) dated 07.04.2014
G.S.R.No. 361 (E) dated 27.05.2014
G.S.R.No.370(E) dated 30.05.2014
G.S.R.No.371(E) dated 30.05.2014
G.S.R.No. 435 (E) dated 08.07.2014
G.S.R.No. 400 (E) dated 12.06.2014
G.S.R.No. 436 (E) dated 08.07.2014
G.S.R.No. 487 (E) dated 11.07.2014
G.S.R.No. 632 (E) dated 02.09.2014
G.S.R.No. 798 (E) dated 13.11.2014
G.S.R.No. 799 (E) dated 13.11.2014
G.S.R.No. 800 (E) dated 13.11.2014
G.S.R.No. 829 (E) dated 21.11.2014
G.S.R.No. -----dated -----

**Published in the Official Gazette of Government
of India – Extraordinary – Part-II, Section 3,
Sub-Section (i) dated 24.12.2014- G.S.R.No.914(E)**

SCHEDULE 10
[See Regulation (13A)]

Issue/transfer of eligible securities to a foreign depository for the purpose of issuance of depository receipts by eligible person(s)

I. Issue/Transfer of eligible securities

- a) Securities in which a person resident outside India is allowed to invest under Schedule 1, 2, 2A, 3, 5 and 8 of these Regulations shall be eligible securities for issue of Depository Receipts in terms of Depository Receipts Scheme, 2014 (DR Scheme 2014).
- b) A person will be eligible to issue or transfer eligible securities to a foreign depository for the purpose of issuance of depository receipts as provided in DR Scheme 2014.
- c) A domestic custodian may purchase eligible securities on behalf of a person resident outside India, for the purpose of converting the securities so purchased into depository receipts in terms of DR Scheme 2014.
- d) The aggregate of eligible securities which may be issued or transferred to foreign depositories, along with eligible securities already held by persons resident outside India, shall not exceed the limit on foreign holding of such eligible securities under the extant Foreign Exchange Management regulations, as amended from time to time.
- e) The eligible securities shall be issued/transferred to a foreign depository for the purpose of issue of depository receipts in accordance with the DR Scheme, 2014 and guidelines issued by Central Government thereunder from time to time.

II. Pricing of eligible Securities

The eligible securities shall not be issued or transferred to a foreign depository for the purpose of issuing depository receipts at a price less than the price applicable to a corresponding mode of issue or transfer of such securities to domestic investors under FEMA, 1999 as amended from time to time.

III. Reporting Requirements

The issue of depository receipts as per DR Scheme 2014 shall be reported to the Reserve Bank by the domestic custodian in such formats and in such manner as may be prescribed by the Reserve Bank from time to time.

IV. Depository Receipts issued under the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 shall be deemed to have been issued under the corresponding provisions of DR Scheme 2014 and have to comply with the provisions laid out in this Schedule.