

**RESERVE BANK OF INDIA
(FOREIGN EXCHANGE DEPARTMENT)
CENTRAL OFFICE
MUMBAI**

Notification No. FEMA.259/2013-RB

February 15, 2013

**Foreign Exchange Management (Guarantees)
(Amendment) Regulations, 2013**

In exercise of the powers conferred by clause (j) of sub-section (3) of Section 6 and sub section (2) of 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 (Guarantees) Regulations, 2000 ([Notification No.FEMA 8/2000-RB dated May 3, 2000](#)), namely:-

1. Short title and commencement

- (a) These Regulations may be called the Foreign Exchange Management (Guarantees) (Amendment) Regulations, 2013.
- (b) They shall be deemed to have come into effect from October 5, 2009. @

2. Amendment of the Regulations :

In the Foreign Exchange Management (Guarantees) Regulations, 2000 (Notification No.FEMA.8/2000-RB dated May 3, 2000), in regulation 4, in sub-regulation (3), in clause (iv) the following shall be substituted, namely –

"(iv) in favour of a non-resident service provider, on behalf of a resident customer who is a service importer, subject to such terms and conditions as stipulated by the Reserve Bank from time to time.

Provided that no guarantee for an amount exceeding USD 500,000 or its equivalent shall be issued on behalf of a service importer other than a Public Sector Company or a Department / Undertaking of the Government of India / State Government.

Provided further that where the service importer is a Public Sector Company or a Department / Undertaking of the Government of India / State Government, no guarantee for an amount exceeding USD 100,000 or its equivalent shall be issued without the prior approval of the Ministry of Finance, Government of India.

Explanation : For the purpose of this regulation, "Public Sector Company" means a Government company as defined in Section 617 of the Companies Act, 1956."

**(Rudra Narayan Kar)
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 these regulations.

(ii) The Principal Regulations were published in the Official Gazette vide No. G.S.R. No.391 (E) dated May 5, 2000 in Part II, Section 3, Sub-Section (i) and subsequently amended vide :

- (i) No. G.S.R.575 (E) dated 19-8-2002
- (ii) No. G.S.R.745 (E) dated 16-11-2004
- (iii) No. G.S.R.61 (E) dated 9-2-2005
- (iv) No. G.S.R.196 (E) dated 14-3-2007
- (v) No. G.S.R.300 (E) dated 01-05-2009
- (vi) No. G.S.R.298 (E) dated 01-05-2009
- (vii) No. G.S.R. No. 634(E) dated 27-07-2010
- (viii) No.G.S.R.No.914(E) dated 21-12-2012
- (ix) No.G.S.R.No._____ dated _____
- (x) No.G.S.R.No.917(E) dated 21-12-2012

**Published in the Official Gazette of Government
of India – Extraordinary – Part-II, Section 3,
Sub-Section (i) dated 12.07.2013- G.S.R.No.481 (E)**