

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

**Notification No.FEMA .226/2012-RB**

**dated March 16, 2012**

**Foreign Exchange Management (Foreign Exchange Derivative  
Contracts) (Amendment) Regulations, 2012**

In exercise of the powers conferred by clause (h) of 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 (Foreign Exchange Derivative Contracts) Regulations, 2000, ([Notification No.FEMA 25/RB-2000 dated May 3, 2000](#)) namely:-

**1. Short Title and Commencement**

- (i) These Regulations may be called the Foreign Exchange Management (Foreign Exchange Derivative Contracts) (Amendment) Regulations, 2012.
- (ii) They shall be deemed to have come in to force with effect from the dates specified in these regulations. @

**2. Amendment of Schedules** - In the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 (Notification No. FEMA 25/RB-2000 dated May 3, 2000), in Schedule II,

- (i) after paragraph '1', the following new paragraph shall be inserted and the same shall be deemed to have come into force with effect from the 20th day of May 2011 :-

"1A. A registered FII may enter into foreign currency – rupee swaps for hedging the transient capital flows relating to the Initial Public Offers (IPO) under the Application Supported by Blocked Amount (ASBA) mechanism, subject to such terms and conditions as may be stipulated by the Reserve Bank from time to time."

- (ii) after paragraph '4', the following new paragraph shall be inserted and the same shall be deemed to have come into force with effect from the 21st day of July 2011 :-

"5. A non-resident importer / exporter may enter into a forward contract with rupee as one of the currencies or a foreign currency – rupee option contract with an Authorised Dealer in India to hedge the currency risk in respect of exports from and imports to India, invoiced in Indian Rupees, subject to

such terms and conditions as may be stipulated by the Reserve Bank from time to time."

**(Meena Hemchandra )  
Chief General Manager-in-charge**

**Footnote:-**

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 GSR No.411(E) dated May 8, 2000 in Part II, Section 3, sub-section (i) and subsequently amended vide –

GSR No.756(E) dt. 28.9.2000,  
GSR No.264(E) dt. 09.4.2002,  
GSR No.579(E) dt. 19.8.2002,  
GSR No.222(E) dt. 18.3.2003,  
GSR No.532(E) dt. 09.7.2003,  
GSR No.880(E) dt. 11.11.2003,  
GSR No.881(E) dt. 11.11.2003,  
GSR No.750(E) dt. 28.12.2005,  
GSR No.222(E) dt. 19.04.2006,  
GSR No.223(E) dt. 19.04.2006,  
GSR No.760(E) dt.07.12.2007,  
GSR No.577(E) dt.05.08.2008,  
GSR No.440(E) dt.23.06.2009,  
GSR No.895(E) dt.14.12.2009,  
GSR No.635(E) dt.27.07.2010, and  
GSR No.\_\_\_\_\_ dt.\_\_\_\_\_

**Published in the Official Gazette of Government  
of India – Extraordinary – Part-II, Section 3,  
Sub-Section (i) dated 03.08.2012- G.S.R.No.608 (E)**