

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

**Notification No. FEMA.166/2007-RB**

**Dated 17 October 2007**

**Foreign Exchange Management (Transfer or Issue of Security by a Person  
Resident outside India) (Amendment) Regulations, 2007**

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 3<sup>rd</sup> May 2000](#)) namely:-

**1. Short Title & Commencement :-**

- (i) These Regulations may be called the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Amendment) Regulations, 2007.
- (ii) These amendments come into force from the date of publication in the gazette.

**2. Amendment to 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 3<sup>rd</sup> May, 2000](#)).

- i. In Regulation 2, after sub-regulation (iii{a}), the following sub-regulation shall be inserted, namely:-  
“(iii {b})“Foreign Central Bank” means an institution/organization/body corporate established in a country outside India and entrusted with the responsibility of carrying out central bank functions under the law for the time being in force in that country.”
- ii. In Regulation 5, for sub-regulation 4, the following sub-regulation shall be substituted, namely :-  
  
“(4) A non-resident Indian or a registered FII or a Foreign Central Bank may purchase securities, other than shares or convertible debentures of

an Indian company, subject to the terms and conditions specified in Schedule 5.”

- iii. In Schedule 5, after paragraph 2, the following new paragraph shall be inserted, namely :-

**“2A. Permission to Foreign Central Banks for purchase of Government Securities -**

A Foreign Central Bank may purchase and sell dated Government Securities/treasury bills in the secondary market subject to the conditions as may be stipulated by the Reserve Bank from time to time”.

**(Salim Gangadharan)  
Chief General Manager**

- (i) **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. 278E) 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

Published in the Official Gazette  
of Government of India –  
Extraordinary – Part-II, Section 3,  
Sub-Section (i) dated 14.11.2007-  
G.S.R.No. 712(E)