

**RESERVE BANK OF INDIA
FOREIGN EXCHANGE DEPARTMENT
CENTRAL OFFICE
MUMBAI-4001**

Notification No. 275/2013-RB

Dated : May 08, 2013

**Foreign Exchange Management (Foreign Currency
Accounts by a person resident in India) (Amendment) Regulations, 2013**

In exercise of the powers conferred by clause (b) of Section 9 and clause (e) of sub-section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), Reserve Bank of India makes the following amendments to the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2000 ([Notification No. FEMA10/2000-RB dated May 03, 2000](#)), as amended from time to time, namely:

1. Short Title and Commencement:

- (i) These Regulations may be called the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) (Amendment) Regulations, 2013.
- (ii) They shall come into force from April 02, 2012. @

2. Amendment of the Regulations:

In the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2000, in Regulation 7, after sub-regulation (8), the following sub-regulation shall be added, namely:

"(9) An Indian party may open, hold and maintain Foreign Currency Account (FCA) abroad for the purpose of overseas direct investments subject to the following terms and conditions:

- (i) The Indian party is eligible for overseas direct investments in terms of Regulation 6 or Regulation 7, as the case may be, of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 (notified in [Notification No. FEMA 120/RB-2004 dated July 7, 2004](#)) as amended from time to time.

- (ii) The host country regulations stipulate that the investment into the country is required to be routed through a designated account.
- (iii) FCA shall be opened, held and maintained as per the regulation of the host country.
- (iv) The remittances sent to the FCA by the Indian party should be utilized only for making overseas direct investment into the JV / WOS abroad.
- (v) Any amount received in the account by way of dividend and / or other entitlements from the subsidiary shall be repatriated to India within 30 days from the date of credit.
- (vi) The Indian party should submit the details of debits and credits in the FCA on yearly basis to the designated AD bank with a certificate from the Statutory Auditors of the Indian party certifying that the FCA was maintained as per the host country laws and the extant FEMA regulations / provisions as applicable.
- (vii) The FCA so opened shall be closed immediately or within 30 days from the date of disinvestment from JV / WOS or cessation thereof.

Explanation: For the purpose of this regulation, the expression 'Indian party' shall have the same meaning as assigned to it in Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004."

(Rashmi Fauzdar)
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.393 (E) dated May 5, 2000 in Part II, Section 3, Sub-Section (i) and subsequently amended vide:

- (a) G.S.R. No. 675(E) dated August 25, 2000,
- (b) G.S.R. No. 89(E) dated February 12, 2001,
- (c) G.S.R. No. 103(E) dated February 19, 2001,
- (d) G.S.R. No. 200(E) dated March 21, 2001,
- (e) G.S.R. No. 5(E) dated January 2, 2002,
- (f) G.S.R. No. 261(E) dated April 9, 2002,
- (g) G.S.R. No. 465(E) dated July 2, 2002,
- (h) G.S.R. No. 474(E) dated July 8, 2002,
- (i) G.S.R. No. 755(E) dated November 8, 2002
- (j) G.S.R. No. 756(E) dated November 8, 2002
- (k) G.S.R. No. 224(E) dated March 18, 2003,
- (l) G.S.R. No. 398(E) dated May 14, 2003
- (m) G.S.R. No. 452(E) dated June 3, 2003,
- (n) G.S.R. No. 453(E) dated June 4, 2003,
- (o) G.S.R.No.11(E) dated January 7, 2004,
- (p) G.S.R.No.13(E) dated January 7, 2004
- (q) G.S.R.No.209(E) dated March 23, 2004.
- (r) G.S.R. No. 455(E) dated June 30, 2007.
- (s) G.S.R. No.778(E) dated December 19,2007
- (t) G.S.R. No. 92(E) dated February 15,2008.
- (u) G.S.R. No.838(E) dated November 23, 2009
- (v) G.S.R. No.340(E) dated April 21, 2010
- (vi) G.S.R. No.491(E) dated March 09, 2011
- (vii) G.S.R.No.915(E) dated December 21, 2012

**Published in the Official Gazette of Government
of India – Extraordinary – Part-II, Section 3,
Sub-Section (i) dated 20.06.2013- G.S.R.No.385 (E)**