

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

Notification No. FEMA 3(R)(4)/2025-RB

October 06, 2025

Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2025

In exercise of the powers conferred by sub-section (2) 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 to the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 ([Notification No. FEMA.3\(R\)/2018-RB dated December 17, 2018](#)) (hereinafter referred to as 'the Principal Regulations'), namely:

1. Short Title & Commencement.- (1) These Regulations may be called the Foreign Exchange Management (Borrowing and Lending) (Amendment) Regulations, 2025.

(2) They shall come into force from the date of notification in the [official gazette](#).

2. In the principal regulations, in regulation 7 sub-regulation A, after clause (iii), the following clause (iv) shall be inserted, namely:-

“An AD bank may lend in Indian Rupees to a person resident outside India being a resident in Bhutan, Nepal or Sri Lanka, including a bank in these jurisdictions, for cross border trade transactions.”

(Dr. Aditya Gaiha)
Chief General Manager-in-Charge

Footnote: The Principal Regulations were published in the Official Gazette vide [G.S.R.No.1213\(E\) dated December 17, 2018](#), in Part II, Section 3, sub-Section (i) and subsequently amended vide the following, namely;

[Notification G.S.R No.163\(E\) dated 26.02.2019](#)

[Notification No. FEMA. 3\(R\)2/2021-RB 24.05.2021](#)

[Notification No. FEMA.3\(R\)\(3\)/2022-RB dated 28.07.2022](#)