



Statement on feedback received

The Reserve Bank of India had issued a draft Foreign Exchange Management (Guarantees) Regulations, 2026 inviting feedback from stakeholders. Major feedback received and response to the same are summarised below:

Feedback/clarification sought/concerns raised	Comments
The clause pertaining to “resultant transaction” being compliant with FEMA needs more clarity.	Accepted. The said clause has been modified to improve readability and understanding [Regulation 5(b)]. It is intended that at the time of issuance of guarantee itself, the surety and the principal debtor shall ensure that they are eligible to lend and borrow to each other as per Foreign Exchange Management (Borrowing and Lending) Regulations, 2018. Compliance with other attendant condition, such as cost, maturity, etc. for borrowing and lending is not envisaged.
Few banks have sought clarification regarding permissibility of guarantees on behalf of non-resident debtors, against counter-guarantee.	Accepted. Please see proviso (i) to regulation 5(b).
Stakeholders have requested to list out individual types of guarantees which were enumerated in the now superseded regulations.	Not accepted. As such the regulations are based on principles which are laid out in the regulations. Therefore, subject to these principles a person resident in India can be a party to a guarantee.
The reporting of guarantees should be on periodic basis rather than on ‘as and when basis.’	Accepted. Please see regulation 7(3).
Multiple parties should not be under the obligation to report the same guarantee.	Accepted. Please see regulation 7(1).



Overseas Investment related guarantees may not be reported under these regulations.	Accepted. Please see regulation 4(c).
Stakeholders have sought clarification on applicability of these regulations to IFSC Banking Units.	Accepted. Please see regulation 4(a).
Stakeholders have sought clarification on guarantees for portfolio of loans.	Accepted. The definition of guarantees has been redrafted to include a guarantee for securing a portfolio of debt, obligations or other liabilities. <i>Inter alia</i> , a creditor in India is permitted to obtain guarantee (including at portfolio level) from a person resident outside India subject to regulation 6 of final regulations [Regulation 2(d) and regulation 6].