**CERTIFICATE EXAM ON FOREIGN EXCHANGE FACILITIES FOR INDIVIDUALS**

**RBI Notifications during the period 1st July 2019 to 31st December 2019**

**RBI/2019-20/20 A.P. (DIR Series) Circular No. 04 July 30, 2019**

All Category-I Authorised Dealer Banks

**External Commercial Borrowings (ECB) Policy – Rationalisation of End-use Provisions**

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to paragraphs 2.1.(v) and 2.1.(viii) of [Master Direction No.5 dated March 26, 2019](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11510) on the above subject in terms of which, inter alia, ECB proceeds cannot be utilised for working capital purposes, general corporate purposes and repayment of Rupee loans except when the ECB is availed from foreign equity holder for a minimum average maturity period of 5 years. Further, on-lending for these activities out of ECB proceeds is also prohibited.

2. Based on the feedback from stakeholders and with a view to further liberalise the ECB framework, it has been decided, in consultation with the Government of India, to relax the end-use restrictions. Accordingly, eligible borrowers will now be permitted to raise ECBs for the following purposes from recognised lenders, except foreign branches/ overseas subsidiaries of Indian banks, subject to paragraph 2.2 of the direction ibid:

1. ECBs with a minimum average maturity period of 10 years for working capital purposes and general corporate purposes. Borrowing by NBFCs for the above maturity for on lending for the above purposes is also permitted.
2. ECBs with a minimum average maturity period of 7 years can be availed by eligible borrowers for repayment of Rupee loans availed domestically for capital expenditure as also by NBFCs for on-lending for the same purpose. For repayment of Rupee loans availed domestically for purposes other than capital expenditure and for on-lending by NBFCs for the same, the minimum average maturity period of the ECB is required to be 10 years.
3. It has been decided to permit eligible corporate borrowers to avail ECB for repayment of Rupee loans availed domestically for capital expenditure in manufacturing and infrastructure sector if classified as SMA-2 or NPA, under any one time settlement with lenders. Lender banks are also permitted to sell, through assignment, such loans to eligible ECB lenders, except foreign branches/ overseas subsidiaries of Indian banks, provided, the resultant external commercial borrowing complies with all-in-cost, minimum average maturity period and other relevant norms of the ECB framework.

3. The prescribed minimum average maturity provision, as above, for the aforesaid end-uses will have to be strictly complied with under all circumstances.

4. All other provisions of the ECB policy remain unchanged. AD Category - I banks should bring the contents of this circular to the notice of their constituents and customers.

5. The [Master Direction No. 5 dated March 26, 2019](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11510) is being updated to reflect the above changes.

6. The directions contained in this circular have been issued under section 10(4) and 11(2) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.--------------------------

**RBI/2019-20/44 A.P. (DIR Series) Circular No. 06 August 16, 2019**

All Category - I Authorised Dealers and Authorised Banks

**Foreign Exchange Management (Deposit) (Amendment) Regulations, 2019 – Acceptance of Deposits by issue of Commercial Papers**

Attention of Authorised Dealers (ADs) is invited to the Foreign Exchange Management (Deposit) Regulations, 2016 notified vide [Notification No. FEMA 5(R)/2016-RB dated April 1, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10325&Mode=0), as amended from time to time and the relevant directions issued thereunder.

2. We advise that Sub-regulation (3) of Regulation 6 of the above Regulations, in terms of which a Company may accept deposits through issue of Commercial Paper (CP), has been reviewed vis-à-vis other Statutes/Regulations – notably Section 45 U(b) of RBI Act, 1934 describing CP as one of the Money Market Instruments and Section 2(c) of Companies (Acceptance of Deposits), Rules 2014 which excludes any amount received against issue of, inter alia, CPs from definition of deposits. It has also been considered that Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 – FEMA 20(R), already allow investments in CPs issued by the Indian Companies.

3. Therefore, with a view to bring in consistency in statutory provisions/regulations relating to Commercial Papers (CPs), we advise that sub-regulation (3) of Regulation 6 of FEMA 5(R)/2016-RB has been deleted vide GOI Notification No. FEMA 5(R)(2)/2019-RB dated July 16, 2019.

4. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

5. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

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**Notification No. FEMA. 395/2019-RB October 17, 2019**

**Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019**

In exercise of the powers conferred by section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and consequent to the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019, the Reserve Bank makes the following regulations relating to mode of payment and reporting requirements for investment in India by a person resident outside India, namely:

**1. Short title & commencement:-**

1. These regulations may be called the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019.
2. They shall come into force from the date of their publication in the [Official Gazette](https://rbidocs.rbi.org.in/rdocs/content/pdfs/FEMA395GN07112019.pdf).

**2. Definitions**

In these regulations, unless the context requires otherwise, -

1. 'Act' means the Foreign Exchange Management Act, 1999 (42 of 1999);
2. ‘Rules’ means Foreign Exchange Management (Non-Debt Instrument) Rules, 2019;
3. The words and expressions used but not defined in these regulations shall have the same meanings respectively assigned to them in the Act or the Rules.

**3. Mode of Payment and Remittance of sale proceeds:**

**3.1**

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| **Schedule of the Rules** | **Instructions on Mode of payment and Remittance of sale proceeds** |
| **I. Schedule I(Purchase or sale of equity instruments of an Indian company by a person resident outside India)** | **A. Mode of payment**(1) The amount of consideration shall be paid as inward remittance from abroad through banking channels or out of funds held in NRE/ FCNR(B)/ Escrow account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.Explanation: The amount of consideration shall include:(i) Issue of equity shares by an Indian company against any funds payable by it to the investor(ii) Swap of equity instruments.(2) Equity instruments shall be issued to the person resident outside India making such investment within sixty days from the date of receipt of the consideration.Explanation: In case of partly paid equity shares, the period of 60 days shall be reckoned from the date of receipt of each call payment(3) Where such equity instruments are not issued within sixty days from the date of receipt of the consideration the same shall be refunded to the person concerned by outward remittance through banking channels or by credit to his NRE/ FCNR (B) accounts, as the case may be within fifteen days from the date of completion of sixty days.(4) An Indian company issuing equity instruments under this Schedule may open a foreign currency account with an Authorised Dealer in India in accordance with Foreign Exchange Management (Foreign currency accounts by a person resident in India) Regulations, 2016.**B. Remittance of sale proceeds**The sale proceeds (net of taxes) of the equity instruments may be remitted outside India or may be credited to the NRE/ FCNR (B) of the person concerned. |
| **II. Schedule II(Investments by Foreign Portfolio Investors)** | **A. Mode of payment**(1) The amount of consideration shall be paid as inward remittance from abroad through banking channels or out of funds held in a foreign currency account and/ or a Special Non-Resident Rupee (SNRR) account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.Provided balances in SNRR account shall not be used for making investment in units of Investment Vehicles other than the units of domestic mutual fund.(2) The foreign currency account and SNRR account shall be used only and exclusively for transactions under this Schedule.**B. Remittance of sale proceeds**The sale proceeds (net of taxes) of equity instruments and units of domestic mutual fund may be remitted outside India or credited to the foreign currency account or a SNRR account of the FPI.The sale proceeds (net of taxes) of units of investment vehicles other than domestic mutual fund may be remitted outside India. |
| **III. Schedule III(Investments by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis)** | **A. Mode of payment**(1) The amount of consideration shall be paid as inward remittance from abroad through banking channels or out of funds held in a Non-Resident External (NRE) account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.(2) The NRE account will be designated as an NRE (PIS) Account and the designated account shall be used exclusively for putting through transactions permitted under this Schedule.(3) Investment in units of domestic mutual fund shall be paid as inward remittance from abroad through banking channels or out of funds held in NRE/FCNR(B) account.(4) Subscription to National Pension System shall be paid as inward remittance from abroad through banking channels or out of funds held in NRE/FCNR(B)/NRO account.**B. Remittance of sale proceeds**The sale proceeds (net of taxes) of equity instruments may be remitted outside India or may be credited to NRE (PIS) account of the person concerned.The sale proceeds (net of taxes) of units of mutual funds and subscription to National Pension System may be remitted outside India or may be credited to NRE (PIS)/FCNR(B)/NRO account of the person concerned at the option of the NRI/OCI investor. |
| **IV. Schedule IV(Investment by NRI or OCI on non-repatriation basis)** | **1. Purchase or sale of equity instruments of an Indian company or units or contribution to the capital of a LLP by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on Non-repatriation basis.A. Mode of Payment**The amount of consideration shall be paid as inward remittance from abroad through banking channels or out of funds held in NRE/ FCNR(B)/ NRO account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.**B. Sale/ maturity proceeds**(1) The sale/ maturity proceeds (net of applicable taxes) of equity instruments or units or disinvestment proceeds of a LLP shall be credited only to the NRO account of the investor, irrespective of the type of account from which the consideration was paid;(2) The amount invested in equity instruments of an Indian company or the consideration for contribution to the capital of a LLP and the capital appreciation thereon shall not be allowed to be repatriated abroad.**2. Investment in a firm or a proprietary concern.****A. Mode of payment**The amount of consideration shall be paid as inward remittance from abroad through banking channels or out of funds held in NRE/ FCNR(B)/ NRO account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.**B. Sale/ maturity proceeds**(1) The disinvestment proceeds shall be credited only to the NRO account of the person concerned, irrespective of the type of account from which the consideration was paid;(2) The amount invested for contribution to the capital of a firm or a proprietary concern and the capital appreciation thereon shall not be allowed to be repatriated abroad. |
| **V. Schedule V(Investment by other non-resident investors)** | **A. Mode of Payment**The amount of consideration shall be paid out of inward remittances from abroad through banking channels.**B. Remittance/ credit of sale/ maturity proceeds**The sale/ maturity proceeds (net of taxes) may be remitted abroad. |
| **VI. Schedule VI(Investment in a Limited Liability Partnership)** | **A. Mode of payment**Payment by an investor towards capital contribution of an LLP shall be made by way of an inward remittance through banking channels or out of funds held in NRE or FCNR(B) account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.**B. Remittance of disinvestment proceeds**The disinvestment proceeds may be remitted outside India or may be credited to NRE or FCNR(B) account of the person concerned. |
| **VII. Schedule VII(Investment by a Foreign Venture Capital Investor)** | **A. Mode of payment**(1) The amount of consideration shall be paid as inward remittance from abroad through banking channels or out of funds held in a foreign currency account and/ or a Special Non-Resident Rupee (SNRR) account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.(2) The foreign currency account and SNRR account shall be used only and exclusively for transactions under this Schedule.**B. Remittance of sale/ maturity proceeds**The sale/ maturity proceeds (net of taxes) of the securities may be remitted outside India or may be credited to the foreign currency account or a Special Non-resident Rupee Account of the FVCI. |
| **VIII. Schedule VIII(Investment by a person resident outside India in an Investment Vehicle)** | **A. Mode of payment**The amount of consideration shall be paid as inward remittance from abroad through banking channels or by way of swap of shares of a Special Purpose Vehicle or out of funds held in NRE or FCNR(B) account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.**B. Remittance of sale/ maturity proceeds**The sale/ maturity proceeds (net of taxes) of the units may be remitted outside India or may be credited to the NRE or FCNR(B) account of the person concerned. |
| **IX. Schedule X(Issue of Indian Depository Receipts)** | **A. Mode of Payment**NRIs or OCIs may invest in the IDRs out of funds held in their NRE/ FCNR(B) account, maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.**B. Remittance of sale/ maturity proceeds**Redemption/ conversion of IDRs into underlying equity shares of the issuing company shall be a compliance the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004. |

**3.2 Issue of Convertible Notes by an Indian start-up company:**

A start-up company issuing convertible notes to a person resident outside India shall receive the amount of consideration by inward remittance through banking channels or by debit to the NRE/ FCNR (B)/ Escrow account maintained by the person concerned in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016. Repayment or sale proceeds may be remitted outside India or credited to NRE/ FCNR (B) account maintained by the person concerned in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.

**4. Reporting Requirements:**

The reporting requirement for any Investment in India by a person resident outside India shall be as follows:

**(1) Form Foreign Currency-Gross Provisional Return (FC-GPR):** An Indian company issuing equity instruments to a person resident outside India and where such issue is reckoned as Foreign Direct Investment, defined under the rules, shall report such issue in Form FC-GPR, not later than thirty days from the date of issue of equity instruments. Issue of 'participating interest / rights' in oil fields shall be reported in Form FC-GPR.

**(2) Annual Return on Foreign Liabilities and Assets (FLA):** An Indian Company which has received FDI or an LLP which has received investment by way of capital contribution in the previous year including the current year, shall submit form FLA to the Reserve Bank on or before the 15th day of July of each year.

Explanation: Year for this purpose shall be reckoned as April to March.

**(3) Form Foreign Currency-Transfer of Shares (FC-TRS):**

(a) Form FCTRS shall be filed for transfer of equity instruments in accordance with the rules, between:

1. a person resident outside India holding equity instruments in an Indian company on a repatriable basis and person resident outside India holding equity instruments on a non-repatriable basis; and
2. a person resident outside India holding equity instruments in an Indian company on a repatriable basis and a person resident in India,

The onus of reporting shall be on the resident transferor / transferee or the person resident outside India holding equity instruments on a non-repatriable basis, as the case may be.

Note: Transfer of equity instruments in accordance with the rules by way of sale between a person resident outside India holding equity instruments on a non-repatriable basis and person resident in India is not required to be reported in Form FC-TRS.

(b) Transfer of equity instruments on a recognised stock exchange by a person resident outside India shall be reported by such person in Form FC-TRS.

(c) Transfer of equity instruments prescribed in Rule 9(6) of the Rules, shall be reported in Form FC-TRS on receipt of every tranche of payment. The onus of reporting shall be on the resident transferor / transferee.

(d) Transfer of 'participating interest / rights' in oil fields shall be reported Form FC-TRS.

The form FCTRS shall be filed within sixty days of transfer of equity instruments or receipt / remittance of funds whichever is earlier.

**(4) Form Employees' Stock Option (ESOP):** An Indian company issuing employees' stock option to persons resident outside India who are its employees / directors or employees / directors of its holding company / joint venture / wholly owned overseas subsidiary / subsidiaries shall file Form-ESOP, within 30 days from the date of issue of employees' stock option.

**(5) Form Depository Receipt Return (DRR):** The Domestic Custodian shall report in Form DRR, the issue / transfer of depository receipts issued in accordance with the Depository Receipt Scheme, 2014 within 30 days of close of the issue.

**(6) Form LLP (I):** A Limited Liability Partnerships (LLP) receiving amount of consideration for capital contribution and acquisition of profit shares shall file Form LLP (I), within 30 days from the date of receipt of the amount of consideration.

**(7) Form LLP (II):** The disinvestment / transfer of capital contribution or profit share between a resident and a non-resident (or vice versa) shall be filed in Form LLP(II) within 60 days from the date of receipt of funds. The onus of reporting shall be on the resident transferor/transferee.

**(8) LEC(FII):** The Authorised Dealer Category I banks shall report to the Reserve Bank in Form LEC (FII) the purchase / transfer of equity instruments by FPIs on the stock exchanges in India.

**(9) LEC(NRI):** The Authorised Dealer Category I banks shall report to the Reserve Bank in Form LEC (NRI) the purchase / transfer of equity instruments by Non-Resident Indians or Overseas Citizens of India on stock exchanges in India.

**(10) Form InVI:** An Investment vehicle which has issued its units to a person resident outside India shall file Form InVI within 30 days from the date of issue of units.

**(11) Downstream Investment**

1. An Indian entity or an investment vehicle making downstream investment in another Indian entity which is considered as indirect foreign investment for the investee Indian entity in terms of the Rules, shall notify the Secretariat for Industrial Assistance, DPIIT within 30 days of such investment, even if equity instruments have not been allotted, along with the modality of investment in new / existing ventures (with / without expansion programme).
2. Form DI: An Indian entity or an investment Vehicle making downstream investment in another Indian entity which is considered as indirect foreign investment for the investee Indian entity in terms of Rule 22 of the Rules shall file Form DI with the Reserve Bank within 30 days from the date of allotment of equity instruments.

**(12) Form Convertible Notes (CN):**

1. The Indian start-up company issuing Convertible Notes to a person resident outside India shall file Form CN within 30 days of such issue.
2. A person resident in India, who may be a transferor or transferee of Convertible Notes issued by an Indian start-up company shall report such transfers to or from a person resident outside India, as the case may be, in Form CN within 30 days of such transfer.

Provided, the format, periodicity and manner of submission of such reporting shall be as prescribed by Reserve Bank in this regard.

Provided further that unless otherwise specifically stated in these regulations all reporting shall be made through or by an Authorised Dealer bank, as the case may be.

**5. Delays in reporting**

The person / entity responsible for filing the reports provided in Regulation 4 above shall be liable for payment of late submission fee, as may be decided by the Reserve Bank, in consultation with the Central Government, for any delays in reporting.

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**RBI/2019-20/102 A.P. (DIR Series) Circular No. 09 November 22, 2019**

All Category-I Authorised Dealer Banks

**Non-resident Rupee Accounts – Review of Policy**

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to paragraph 3 of [Statement on Developmental and Regulatory Policies](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=48318) of the Fourth Bi-Monthly Monetary Policy Statement for 2019-20 dated October 04, 2019.

2. In terms of paragraph 7 of Part II of [Master Direction No.14 dated January 01, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10198) on “Deposits and Accounts”, as amended from time to time, any person resident outside India, having a business interest in India, may open a Special Non-Resident Rupee Account (SNRR account) with an authorised dealer for the purpose of putting through bona fide transactions in rupees.

3. With a view to promote the usage of INR products by persons resident outside India, it has been decided, in consultation with the Government of India, to expand the scope of SNRR Account by permitting person resident outside India to open such account for:

1. External Commercial Borrowings in INR;
2. Trade Credits in INR;
3. Trade (Export/ Import) Invoicing in INR; and
4. Business related transactions outside International Financial Service Centre (IFSC) by IFSC units at GIFT city like administrative expenses in INR outside IFSC, INR amount from sale of scrap, government incentives in INR, etc. The account will be maintained with bank in India (outside IFSC).

4. It has also been decided, in consultation with the Government of India, to rationalise certain other provisions for operation of the SNRR Account, as under:

1. Remove the restriction on the tenure of the SNRR account opened for the purposes given at paragraph 3 above as the proposed transactions are more enduring in nature.
2. Apart from Non-Resident Ordinary (NRO) Account, permit credit of amount due/ payable to non-resident nominee from account of a deceased account holder to Non-Resident External (NRE) Account or direct remittance outside India through normal banking channels.

5. All other provisions of the policy on Deposits and Accounts remain unchanged. AD Category - I banks should bring the contents of this circular to the notice of their constituents and customers.

6. The aforesaid [Master Direction No. 14 dated January 01, 2016](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10198) is being updated to reflect the changes.

7. The directions contained in this circular have been issued under section 10(4) and 11(2) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

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**Notification No. FEMA 14(R)/(1)/2019-RB November 13, 2019**

**Foreign Exchange Management (Manner of Receipt and Payment) (Amendment) Regulations, 2019**

In exercise of the powers conferred by Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following amendment in the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2016 ([Notification No. FEMA 14 (R)/2016-RB dated May 02, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10392&Mode=0)) (hereinafter referred to as 'the Principal Regulations'), namely:-

**1. Short title and commencement.**

(i) These Regulations may be called the Foreign Exchange Management (Manner of Receipt and Payment) (Amendment) Regulations, 2019.

(ii) They shall come into effect from the date of their publication in the Official Gazette.

2. In the Principal Regulations:

(a) in regulation 2, after clause (iv), the following new clause shall be inserted, namely, :-

(v) ‘SNRR account’ means a Special Non- Resident Rupee account referred to in sub. regulation (4) of regulation 5 of Foreign Exchange Management (Deposit) Regulations, 2016.

(b) in regulation 4,

(i) in sub. regulation (1), for clause (ii), the following shall be substituted, namely:

“by debit to FCNR/ NRE/ SNRR account maintained by a person resident outside India (overseas buyer) with an Authorised Dealer or an Authorised Bank in India, as specified in Foreign Exchange Management (Deposits) Regulations, 2016;”

(ii) after sub. regulation (2), the following new sub. regulation shall be inserted, namely:

“(3) Payment may also be received in rupees by a person resident in India from SNRR Account of person resident outside India after ensuring that the underlying transactions are in conformity with the provisions of the Foreign Exchange Management Act, 1999 and the rules, regulations and directions issued thereunder.”

(c) in regulation 6,

(i) in sub. regulation (2), after clause (iii), the following new clauses shall be inserted, namely:

“(iv) by credit to SNRR account maintained by a person resident outside India (overseas seller) with an Authorised Dealer or an Authorised Bank in India for imports into India, as specified in Foreign Exchange Management (Deposit) Regulations, 2016.

(v) in rupees to SNRR account of the person resident outside India after ensuring that the underlying transactions are in conformity with the provisions of the Foreign Exchange Management Act, 1999 and the rules, regulations and directions issued thereunder.”

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**Notification No. FEMA 5 (R)/(3)/2019-RB November 13, 2019**

**Foreign Exchange Management (Deposit) (Third Amendment) Regulations, 2019**

In exercise of the powers conferred by clause (f) of sub-section (3) of section 6, sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following amendment in the Foreign Exchange Management (Deposit) Regulations, 2016 ([Notification No. FEMA 5 (R)/2016-RB dated April 01, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10325&Mode=0)) (hereinafter referred to as 'the Principal Regulations'), namely:-

**1. Short title and commencement.**

(i) These regulations shall be called the Foreign Exchange Management (Deposit) (Third Amendment) Regulations, 2019.

(ii) They shall come into force with effect from the date of their publication in the Official Gazette.

2. In the Principal Regulation, in SCHEDULE 4,

(a) for paragraph 1, the following shall be substituted, namely, :-

“1. Any person resident outside India, having a business interest in India, may open Special Non-Resident Rupee Account (SNRR account) with an authorised dealer for the purpose of putting through bona fide transactions in rupees, not involving any violation of the provisions of the Act, rules and regulations made thereunder. The business interest, apart from generic business interest, shall include the following INR transactions, namely, :-

i. Investments made in India in accordance with Foreign Exchange Management (Non-debt Instruments) Rules, 2019 dated October 17, 2019 and Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified vide notification no. FEMA 396/2019-RB dated October 17, 2019, as applicable, as amended from time to time;

ii. Import of goods and services in accordance with Section 5 of the Foreign Exchange Management Act 1999 (42 of 1999), read with Notification No. G.S.R. 381(E) dated May 3, 2000, viz., Foreign Exchange Management (Current Account Transaction) Rules, 2000, as amended from time to time;

iii. Export of goods and services in accordance with Section 7 of the Foreign Exchange Management Act 1999 (42 of 1999), read with Notification No. G.S.R. 381(E) dated May 3, 2000, viz., Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time, and further read with [FEMA Notification No.23(R)/2015-RB dated January 12, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10256&Mode=0), as amended from time to time;

iv. Trade credit transactions and lending under External Commercial Borrowings (ECB) framework in accordance with Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time; and

v. Business related transactions outside International Financial Service Centre (IFSC) by IFSC units at GIFT city like administrative expenses in INR outside IFSC, INR amount from sale of scrap, government incentives in INR, etc. The account will be maintained with bank in India (outside IFSC).”

(b) for paragraph 2, the following shall be substituted, namely, :-

“2. The SNRR account shall carry the nomenclature of the specific business for which it is in operation. Indian bank may, at its discretion, maintain separate SNRR Account for each category of transactions or a single SNRR Account for a person resident outside India engaged in multiple categories of transactions provided it is able to identify/ segregate and account them category-wise.”

(c) in paragraphs 3,5 and 6, for the word ‘should’, the word ‘shall’ shall be substituted.

(d) for in paragraph 8, the following shall be substituted, namely, :-

“8. The tenure of the SNRR account shall be concurrent to the tenure of the contract / period of operation / the business of the account holder and in no case shall exceed seven years. Approval of the Reserve Bank shall be obtained in cases requiring renewal:

Provided the restriction of seven years shall not be applicable to SNRR accounts opened for the purposes stated at sub. paragraphs i to v of paragraph 1 of this schedule.”

(e) for paragraph 13, the following shall be substituted, namely, :-

“13. The amount due/ payable to non-resident nominee from the account of a deceased account holder, shall be credited to NRO/NRE account of the nominee with an authorised dealer/ authorised bank in India or by remittance through normal banking channels.”

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**Notification No. FEMA 23(R)/(2)/2019-RB December 09, 2019**

**Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2019**

In exercise of the powers conferred by clause (a) of sub-section (1), sub-section (3) of section 7 and clause (b) of sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 [[Notification No. FEMA 23(R)/2015- RB dated January 12, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10256&Mode=0)] (hereinafter referred to as 'the Principal Regulations'), namely:

**1. Short title and commencement: -**

1. These Regulations may be called the Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2019.
2. They shall come into force from the date of their publication in the [official Gazette](https://rbidocs.rbi.org.in/rdocs/content/pdfs/FEMA23R23122019.pdf).

2. In the Principal Regulations, in regulation 4, after sub-regulation (e), the following shall be inserted, namely :-

*“(ea) re-export of leased aircraft/ helicopter and/or engines/auxiliary power units (APUs) re-possessed by overseas lessor and duly de-registered by the Directorate General of Civil Aviation (DGCA) on the request of Irrevocable Deregistration and Export Request Authorisation (IDERA) holder under ‘Cape Town Convention’ subject to permission by DGCA/Ministry of Civil Aviation for such export/s.”*