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RESERVE BANK OF INDIA

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RBI proposes fresh Regulations under Foreign Exchange Management Act, 1999 for Cross Border Mergers: Invites comments from stakeholders

The Reserve Bank today has placed on its website the [draft guidelines](#) proposed to be issued on cross border merger transactions pursuant to the Rules notified by Ministry of Corporate Affairs through Companies (Compromises, Arrangements and Amalgamation) Amendment Rules, 2017 on April 13, 2017.

Section 234 of the Companies Act, 2013 provides for mergers and amalgamations between Indian companies and foreign companies. Accordingly, Ministry of Corporate Affairs has issued Companies (Compromises, Arrangements and Amalgamation) Amendment Rules, 2017 on April 13, 2017 to operationalize this section.

The Reserve Bank of India has proposed these Regulations under the Foreign Exchange Management Act, 1999 (FEMA) in order to address the issues that may arise when an Indian company and a foreign company enter into Scheme of merger, demerger, amalgamation, or rearrangement. These Regulations stipulate conditions that should be adhered to by the companies involved in the Scheme. The Regulations shall be named Foreign Exchange Management (Cross Border Merger) Regulations.

Members of public, including the stakeholders and experts in the area, are requested to offer their views and comments on the proposed Regulations. The comments may be sent latest by May 9, 2017 to [email](#) with the subject "Cross Border Mergers – Comments/Suggestions".

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