

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

Notification No.FEMA.260/RB-2013

February 18, 2013

**Foreign Exchange Management (Foreign Exchange Derivative Contracts)
(Amendment) Regulations, 2013.**

In exercise of the powers conferred by clause (h) of sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank hereby makes the following amendments in the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 ([Notification No. FEMA 25/RB-2000 dated May 3, 2000](#)), namely:-

1. Short Title and Commencement

- (i) These regulations may be called the Foreign Exchange Management (Foreign Exchange Derivative Contracts) (Amendment) Regulations, 2013.
- (ii) They shall be deemed to have come in to force with effect from dates specified in these regulations.

2. Amendment to Regulations – In the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 (Notification No. FEMA 25/RB-2000 dated May 3, 2000),

A. In Regulation 2, after sub-regulation (x), the following sub-regulation shall be inserted and the same shall be deemed to have come into force with effect from the 16th day of July 2012, :-

“(xi) ‘Qualified Foreign Investor (QFI)’ means a person resident outside India as defined in Regulation 2 of [FEMA 20/RB-2000 dated May 3, 2000](#).”

B. In Regulation 6,

- (i) in sub-regulation (ii), the words “specially authorized in that behalf by the Reserve Bank” may be omitted and shall be deemed to have been omitted with effect from January 17, 2012.
- (ii) in sub-regulation (ii), the words “Provided that such authorized dealer bank shall exercise such authority subject to the directions and guidelines issued to them by the Reserve Bank in that behalf.” may be omitted and shall be deemed to have been omitted with effect from January 17, 2012.
- (iii) Sub-regulation (iii) may be omitted and shall be deemed to have been omitted with effect from January 17, 2012.

(iv) The sub-regulation (iv) may be renumbered as (iii) and shall be deemed to have renumbered with effect from January 17, 2012.

C. In Regulation 6A, in sub-regulation (ii), the words "specially authorised by the Reserve Bank under sub-regulation (ii) of Regulation 6" shall be substituted with "specially authorised in that behalf by the Reserve Bank" and shall be deemed to have been substituted with effect from January 17, 2012 :

3. Amendment of Schedules – In the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 (Notification No. FEMA 25/RB-2000 dated May 3, 2000),

A. In Schedule I,

(i) In paragraph 'A', in sub-paragraph 1(h), the words "Such contracts booked by residents to hedge current account transactions, regardless of tenor, not being those booked on past performance basis without documents or booked to hedge transactions denominated in foreign currency but settled in Indian Rupee, may be cancelled and rebooked freely at ongoing rates. Contracts covering export transactions may also be cancelled, rebooked or rolled over at ongoing rates without any restriction." shall be omitted and shall be deemed to have been omitted with effect from December 15, 2011.

(ii) In paragraph 'B', in sub-paragraph 3(4), after the words "trade transactions or external commercial borrowings", the words "or foreign currency loans availed of domestically against FCNR (B) deposits" shall be inserted and the same shall be deemed to have been inserted with effect from September 12, 2012.

B. In Schedule II,

(i) In Paragraph 1, after the words "Foreign Institutional Investor (FII)", the words "/ Qualified Foreign Investor (QFI)" shall be inserted and the same shall be deemed to be inserted with effect from July 16, 2012.

(ii) In Paragraph 1A, after the words "FII", the words " / QFI" shall be inserted and the same shall be deemed to have been inserted with effect from July 16, 2012.

(iii) After paragraph '5', the following new paragraph shall be added and the same shall be deemed to have come into force with effect from the 29th day of December 2011, :-

“6. A non-resident may enter in to a forward contract with rupee as one of the currencies or a foreign currency – rupee option contract or a foreign currency-INR swap with an Authorised Dealer in India to hedge the currency risk in respect of ECBs denominated in Indian Rupees, subject to such terms and conditions as may be stipulated by the Reserve Bank from time to time.”

Rudra Narayan Kar
Chief General Manager-in-Charge

Footnote:-

1. @ It is clarified that no person will be adversely affected as a result of retrospective effect being given to these regulations.

2. The principal regulations were published in the Official Gazette vide GSR No. 411(E) dated May 8, 2000 in Part II, Section 3, sub-section (i) and subsequently amended vide–

GSR No. 756(E) dt. 28.09.2000,
GSR No. 264(E) dt. 09.04.2002,
GSR No. 579(E) dt. 19.08.2002,
GSR No. 222(E) dt. 18.03.2003,
GSR No. 532(E) dt. 09.07.2003,
GSR No. 880(E) dt. 11.11.2003,
GSR No. 881(E) dt. 11.11.2003,
GSR No. 750(E) dt. 28.12.2005,
GSR No. 222(E) dt. 19.04.2006,
GSR No. 223(E) dt. 19.04.2006,
GSR No. 760(E) dt. 07.12.2007,
GSR No. 577(E) dt. 05.08.2008,
GSR No. 440(E) dt. 23.06.2009,
GSR No. 895(E) dt. 14.12.2009,
GSR No. 635(E) dt. 27.07.2010,
GSR No. 608(E) dt. 03.08.2012, and
GSR No. 799(E) dt. 30.10.2012.

**Published in the Official Gazette of Government
of India – Extraordinary – Part-II, Section 3,
Sub-Section (i) dated 23.05.2013- G.S.R.No.330 (E)**