

**Reserve Bank of India
Exchange Control Department
Central Office
Mumbai-400 001**

Notification No. FEMA 85/2003-RB

dated January 17, 2003

Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India)(First Amendment) Regulations, 2003

In exercise of the powers conferred by clause(b) of sub-section(3) of Section 6 and Section 47 of the Foreign Exchange Management Act,1999 (42 of 1999) and in partial modification of its Notification No.FEMA 20/2000-RB dated 3rd May 2000, the Reserve Bank of India makes the following Regulation to amend the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, namely:-

1. Short title and commencement

- (i) These Regulations may be called the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (First Amendment) Regulations, 2003.
- (ii) They shall come into force on their publication in the Official Gazette.

2. Amendment of the Regulation

In the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations 2000, (herein after referred to as "the Principal Regulations") in Regulation 5, after Sub-Regulation (5), the following Sub-Regulations shall be added, namely- "(6) A registered Foreign Institutional Investor (FII) having valid approval under FERA,1973 or under FEMA, 1999 may trade in all exchange traded derivative contracts approved by SEBI from time to time subject to the limits as prescribed in by SEBI. (7) A Non-Resident Indian (NRI) may invest in exchange traded derivative contracts approved by SEBI from time to time out of INR funds held in India on non-repatriable basis subject to the limits prescribed by SEBI. Such investments will not be eligible for repatriation benefits."

**K.J.Udeshi
Executive Director**

<p>Published in the Official Gazette of Government of India - Extraordinary - Part-II, Section 3, Sub-Section (i) dated 18.03.2003 - G.S.R.No.225(E)</p>
