

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

Notification No. FEMA. 167 / 2007-RB

Dated 23 October , 2007

Foreign Exchange Management (Transfer or Issue of Security by A Person Resident Outside India) (Second Amendment) Regulations, 2007

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), the Reserve Bank of India hereby makes the following amendments in the Foreign Exchange Management (Transfer or Issue of Security by A Person Resident Outside India) Regulations, 2000 (Notification No. FEMA 20/2000-RB dated 3rd May 2000) namely:-

1. Short Title & Commencement:-

(i) These Regulations may be called the Foreign Exchange Management (Transfer or Issue of Security by A Person Resident Outside India) (Second Amendment) Regulations, 2007.

(ii) This would come into effect from the date of its publication in the official gazette.

2. Amendment to the Regulations:-

1. In the Foreign Exchange Management (Transfer or Issue of Security by A Person Resident Outside India) Regulations 2000, (Notification No. FEMA 20/2000-RB dated 3rd May, 2000), in regulation 5, sub-regulation (1), shall be re-numbered as clause (i) of sub-regulation (1) thereof and after clause (i) so re-numbered, the following clause shall be inserted, namely :-

“(ii) Notwithstanding anything contained in sub-regulation(i) above, a person who is a citizen of Bangladesh or an entity incorporated in Bangladesh may, with the prior approval of the Foreign Investment Promotion Board of the Government of India, purchase shares and convertible debentures of an Indian company under Foreign Direct Investment Scheme, subject to the terms and conditions specified in Schedule 1.”

2. In Schedule 1, para1 (1) shall be substituted by the following;

“A person resident outside India referred to in clauses (i) and (ii) of sub-regulation (1) of Regulation 5, may purchase shares or convertible debentures issued by an Indian company up to the extent and subject to the terms and conditions set out in this Schedule.”

**(Salim
Gangadharan)
Chief General Manager**

(i) **Foot Note:** The Principal Regulations were published in the Official Gazette vide G.S.R.No. 406 (E) dated May 3, 2000 in Part II, Section 3, sub-section (i) and subsequently amended as under:

G.S.R.No. 158(E) dated 02.03.2001
G.S.R.No. 175(E) dated 13.03.2001
G.S.R.No. 182(E) dated 14.03.2001
G.S.R.No. 4(E) dated 02.01.2002
G.S.R.No. 574(E) dated 19.08.2002
G.S.R.No. 223(E) dated 18.03.2003
G.S.R.No. 225(E) dated 18.03.2003
G.S.R.No. 558(E) dated 22.07.2003
G.S.R.No. 835(E) dated 23.10.2003
G.S.R.No. 899(E) dated 22.11.2003
G.S.R.No. 12(E) dated 07.01.2004
G.S.R.No. 278(E) dated 23.04.2004
G.S.R.No. 454(E) dated 16.07.2004
G.S.R.No. 625(E) dated 21.09.2004
G.S.R.No. 799(E) dated 08.12.2004
G.S.R.No. 201(E) dated 01.04.2005
G.S.R.No. 202(E) dated 01.04.2005
G.S.R.No. 504(E) dated 25.07.2005
G.S.R.No. 505(E) dated 25.07.2005
G.S.R.No. 513(E) dated 29.07.2005
G.S.R.No. 738(E) dated 22.12.2005
G.S.R.No. 29(E) dated 19.01.2006
G.S.R.No. 413(E) dated 11.07.2006

**Published in the Official Gazette of Government
of India – Extraordinary – Part-II, Section 3,
Sub-Section (i) dated 14.11.2007 - G.S.R.No. 713 (E)**