

**RESERVE BANK OF INDIA
FOREIGN EXCHANGE DEPARTMENT
CENTRAL OFFICE
MUMBAI-400 001**

Notification No. FEMA. 165 /2007-RB Dated October 10, 2007

Foreign Exchange Management (Permissible Capital Account Transactions) (Amendment) Regulations, 2007

In exercise of the powers conferred by sub-section (2) of Section 6, Sub-Section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) the Reserve Bank of India, in consultation with Central Government, makes the following Regulations to amend the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000, (Notification No. FEMA 1/2000 – RB dated May 3, 2000) namely:

1. Short title and commencement:-

- (i) These Regulations may be called the Foreign Exchange Management (Permissible Capital Account Transactions) (Amendment) Regulations, 2007.
- (ii) They shall come into force from the dates specified in these regulations. *

2. Amendment to the Regulations

In the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000, in regulation 4, sub-regulation (a), the provisos, shall be substituted by the following provisos namely:-

" Provided that –

(a) subject to the provisions of the Act or the rules or regulations or directions or orders made or issued thereunder, a resident individual may, draw from an authorized person foreign exchange not exceeding USD 50,000 per financial year with effect from December 20, 2006, USD 100,000 per financial year with effect from May 8, 2007 and USD 2,00,000 per financial year with effect from September 26, 2007, for a capital account transaction specified in Schedule I.

Explanation: Drawal of foreign exchange by resident individuals towards remittances of gift or donations as per item No. 3 and 4 of Schedule III to Foreign Exchange Management (Current Account Transactions) Rules, 2000 dated 3rd May 2000 as amended from time to time, shall be subsumed within the limit under proviso (a) above;

(b) where the drawal of foreign exchange by a resident individual for any capital account transaction specified in Schedule I exceeds USD 50,000 or USD 100,000 or USD 200,000, as the case may be, per financial year, the limit specified in the regulations relevant to the transaction shall apply with respect to such drawal.

Provided further that no part of the foreign exchange of USD 50,000 or USD 100,000 or USD 200,000, as the case may be, drawn under proviso (a) shall be used for remittance directly or indirectly to countries notified as non-co-operative countries and territories by Financial Action Task Force (FATF) from time to time and communicated by the Reserve Bank of India to all concerned."

(Salim Gangadharan)
Chief General Manager

Foot Note:

1. * It is clarified that no person will be adversely affected as a result of retrospective effect being given to such Regulations.
2. The Principal Regulations were published in the Official Gazette vide G.S.R. No. 384 (E) dated May 5, 2000 in Part II, Section 3, sub-section (i) and subsequently amended vide G.S.R. No. 207 (E) dated March 23, 2004.

Published in the Official Gazette of Government of India – Extraordinary – Part-II, Section 3, Sub-Section (i) dated 5.1.2008 - G.S.R.No. 14 (E)