

**Foreign Exchange Management (Foreign Exchange Derivative Contracts)  
(Amendment) Regulations, 2008**

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 of India 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:**

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(i) These Regulations may be called the Foreign Exchange Management (Foreign Exchange Derivative Contracts) (Amendment) Regulations, 2008.

(ii) They shall come in to force from the date of their publication in the Official Gazette.

**2. Amendment of the Regulations**

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In the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 (Notification No. FEMA 25/RB-2000 dated May 3, 2000) (hereafter referred to as the principal regulations),

(i) in regulation 2, after clause (v), the following clause shall be inserted, namely:-

"(va) 'Currency Futures' means a standardised foreign exchange derivative contract traded on a recognized stock exchange to buy or sell one currency against another on a specified future date, at a price specified on the date of contract, but does not include a forward contract."

- (ii) in regulation 3 of the principal regulations, after the words, "foreign exchange derivative contract", the words, "or currency futures" shall be inserted.
- (iii) after regulation 5 of the principal regulations, the following regulation shall be inserted, namely :-

**"5A. Permission to a person resident in India to enter into currency futures**

A person resident in India may enter into a currency futures in a stock exchange recognized under section 4 of the Securities Contract (Regulation) Act, 1956, to hedge an exposure to risk or otherwise, subject to such terms and conditions as may be set forth in the directions issued by the Reserve Bank of India from time to time."

**(Salim Gangadharan)**  
**Chief General Manager-in-Charge**

**Footnote:-**

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. 28.9.2000,  
GSR No.264(E) dt. 09.4.2002,  
GSR No.579(E) dt. 19.8.2002,  
GSR No.222(E) dt. 18.3.2003,  
GSR No.532(E) dt. 09.7.2003,  
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 and  
GSR No.760(E) dt.07.12.2007

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