

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

Dated : September 10, 2013

CORRIGENDUM

In the [Notification No. FEMA. 243/2012-RB dated 19th October 2012](#) of the Reserve Bank of India, Foreign Exchange Department, Central Office, published in the Gazette of Government of India, Extraordinary – Part II, Section 3, Sub-Section (i) vide G.S.R. No. 797(E) dated 30.10.2012,

(i) in Regulation 2 for (xiia) the following shall be substituted, namely

“(xiia) ‘Qualified Foreign Investor (QFI)’ means

(a) during the period from 9th day of August, 2011 to 15th day of July, 2012, a person who satisfied the following criteria at the relevant time;

- (i) resident of a country, that is compliant with the Financial Action Task Force (FATF) standards and is a signatory to the IOSCO’s Multilateral Memorandum of Understanding (MMoU); and
- (ii) satisfied the KYC requirements stipulated by SEBI.

Provided that such a person is not registered with SEBI as a Foreign Institutional Investor (FII) or Foreign Venture Capital Investor (FVCI).

(b) With effect from 16th day of July, 2012, a person who satisfies the following criteria at the relevant time:

- (i) Resident in a country that is a member of FATF or a member of a group which is a member of FATF; and
- (ii) Resident in a country that is a signatory to IOSCO’s MMoU (and referred to as Appendix A Signatories therein) or a signatory of a bilateral MoU with SEBI

Provided that the person is not resident in a country listed in the public statements issued by FATF from time to time on jurisdictions having strategic AML/CFT deficiencies to which counter measures apply or that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies;

Provided that such person is not resident in India;

Provided further that such person is not registered with SEBI as an FII or Sub-Account of an FII or FVCI.

Explanation – For the purposes of this clause :

1. “bilateral MoU with SEBI” shall mean a bilateral MoU between SEBI and the overseas regulator that, inter alia, provides for information sharing arrangements.
2. Member of FATF shall not mean an associate member of FATF.”

(ii) after Regulation 2(ii), the following Explanation shall be added, namely:

“*Explanation* - For the purposes of sub-paragraphs(2) and (3) above, in terms of the provisions of the Micro, Small and Medium Enterprises Development Act, (i) in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation) Act, 1951, a micro enterprise means where the investment in plant and machinery does not exceed twenty five lakh rupees; a small enterprise means where the investment in plant and machinery is more than twenty five lakh rupees but does not exceed five crore rupees; (ii) in the case of the enterprises engaged in providing or rendering services, a micro enterprise means where the investment in equipment does not exceed ten lakh rupees; a small enterprise means where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees.”

(iii) the Foot note (i) may be substituted, namely

“(i) The Principal Regulations were published in the Official Gazette vide G.S.R.No.388 (E) dated May 5, 2000 in Part II, Section 3, Sub-section (i) and subsequently amended as under:

- (a) G.S.R. No. 262(E) dated April 9, 2002;
- (b) G.S.R. No. 577(E) dated August 19, 2002;
- (c) G.S.R. No. 855(E) dated December 31, 2002;
- (d) G.S.R. No. 494(E) dated August 4, 2004;
- (e) G.S.R. No. 221(E) dated April 7, 2005;
- (f) G.S.R. No. 663(E) dated November 14, 2005;
- (g) G.S.R. No. 28 (E) dated January 19, 2006;
- (h) G.S. R. No.495(E) dated July 23, 2007.
- (i) G.S. R. No.664(E) dated October 16, 2007.
- (j) G.S.R.No.714(E) dated November 14, 2007
- (k) G.S.R.No.91(E) dated February 15, 2008.
- (l) G.S.R.No.442(E) dated June 23, 2009.
- (m) G.S.R.No.822(E) dated November 10, 2012 and
- (n) G.S.R.No.893 (E) dated December 17, 2012.”

(C. D. Srinivasan)
Chief General Manager

**Published in the Official Gazette of Government
of India – Extraordinary – Part-II, Section 3,
Sub-Section (i) dated 12.09.2013- G.S.R.No.626 (E)**