

**Reserve Bank of India
Foreign Exchange Department
Central Office
Mumbai**

Notification No. FEMA.20(R) (3)/2018-RB

August 30, 2018

Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Second Amendment) Regulations, 2018

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 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 ([Notification No. FEMA. 20 \(R\)/2017-RB dated November 07, 2017](#)) (hereinafter referred to as 'the Principal Regulation'), 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, 2018.
- (ii) They shall come into force with effect from the 1st day of September, 2018.

2. Amendment to Regulation 13

- (i) The existing clause (1) of sub-regulation 13.1 is deleted.
- (ii) The existing clause (11) of sub-regulation 13.1 is substituted with the following namely:

(11) Downstream Investment

- (i) An Indian entity or an investment vehicle making downstream investment in another Indian entity which is considered as indirect foreign investment for the investee Indian entity in terms of these Regulations, shall notify the Secretariat for Industrial Assistance, DIPP within 30 days of such investment, even if capital instruments have not been allotted, along with the modality of investment in new / existing ventures (with / without expansion programme).
- (ii) “**Form DI:** An Indian entity or an investment Vehicle making downstream investment in another Indian entity which is considered as indirect foreign investment for the investee Indian entity in terms of Regulation 14 of these Regulations shall file Form DI with the Reserve Bank within 30 days from the date of allotment of capital instruments.”

(iii) After the existing clause (12) of sub-regulation 13.1, the following is inserted as Clause (13) namely:

(13) “Form InVi : An Investment vehicle which has issued its units to a person resident outside India shall file Form InVi with the Reserve Bank within 30 days from the date of issue of units.”

(Ajay Kumar Misra)
Chief General Manager

Foot Note:-

The Principal Regulation was published in the Official Gazette vide G.S.R.No.1374(E) dated November 07, 2017 in Part II, Section 3, sub-Section (i) and subsequently amended as under

[G.S.R.No.279\(E\) dated 26.03.2018](#)

[G.S.R.No.520\(E\) dated 01.06.2018](#)

[G.S.R. No.823\(E\) dated 30.8.2018](#)