

RESERVE BANK OF INDIA

(Foreign Exchange Department)

(CENTRAL OFFICE)

Notification No. FEMA. 382/ 2016-RB

Mumbai, the 2nd January, 2017

Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Second Amendment) Regulations, 2016

G.S.R. 01(E).- In exercise of the powers conferred by clause (a) of sub-section (3) of Section 6 and sub-section (2) of 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 Any Foreign Security) Regulations, 2004 (Notification No. FEMA.120/RB-2004 dated July 7, 2004) namely:-

1. Short Title & Commencement:-

(i) These Regulations shall be called the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) (Second Amendment) Regulations, 2016.

(ii) They shall be deemed to have come into force from the date of publishing in the Gazette.

2. Amendment of Regulation

In the Principal Regulations, in Regulation 6, in sub-regulation (2), after the existing clause (vi), the following shall be inserted, namely:

“(vii) Indian Party shall make no direct investment in an overseas entity [set up or acquired abroad directly as JV/WOS or indirectly as Step Down Subsidiary] located in the countries identified by the Financial Action Task Force (FATF) as “non co-operative countries and territories” as per list available on FATF website www.fatf-gafi.org or as notified by the Reserve Bank of India from time to time.”

[F. No. 1/24/EM/2016]

SHEKHAR BHATNAGAR,

Chief General Manager-in-charge