

FEM (BORROWING OR LENDING IN FOREIGN EXCHANGE) (AMENDMENT) REGULATIONS, 2012 - AMENDMENT IN SCHEDULES I AND II

NOTIFICATION [NO. FEMA 232/2012-RB]/G.S.R. 610(E), DATED 30-5-2012

In exercise of the powers conferred by clause (d) of sub-section (3) of section 6 and sub-section (2) of section 47 or the Foreign Exchange Management Act, 1999 (42 of 1999) the Reserve Bank of India hereby makes the following amendments in the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 (Notification No. FEMA 3/2000-RB, dated May 3, 2000), namely:-

1. Short title and commencement:

- (a) These Regulations may be called the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) (Amendment) Regulations, 2012.
- (b) They shall be deemed to have come into force from the date specified in these regulations[@].

2. Amendment of the Regulations:

In the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 (Notification No. FEMA 3/2000-RB, dated May 3, 2000) (hereinafter referred to as 'the principal regulations')

(A) In Schedule I, in paragraph (1)

- (a) for clause (b), in sub-paragraph (i), the following shall be substituted and shall be deemed to have been substituted with effect from 19th day of December 2011, namely,

"Non Government Organisations and Micro Finance Institutions engaged in micro-finance activities may borrow in foreign exchange under this Schedule under such terms and conditions as specified by the Reserve Bank from time to time :

Provided that they have not at any time violated any of the provisions of these regulations and no investigation is pending against them for contravention of the provisions of these regulations under the Act."

- (b) for clause (b), in sub-paragraph (ii), the following shall be substituted and shall be deemed to have been substituted with effect from 19th day of December 2011, namely:-

"The borrowings in foreign currency under as specified in paragraph (i) (b) of section I of Schedule I, by a non-government organisation and Micro Finance Institution engaged in micro-finance activities shall not exceed USD 10 million or equivalent during a financial year (April-March)."

- (c) for sub-paragraph (v) the following shall be substituted and shall be deemed to have been substituted with effect from 23rd day of September 2011, namely:-

"(v) Maturity

The maturity of the borrowings in foreign exchange shall be as under:

Amount	Minimum Maturity	Average
(i) Up to USD 20 Million or equivalent	Not less than 3 years.	
(ii) Exceeding USD 20 Million or equivalent and Not less than 5 years upto USD 750 Million or equivalent		

Note - Borrowing up to US\$ 20 Million can have call/put option provided the minimum average maturity of 3 years as prescribed above is complied with before exercising call/put option."

(B) In Schedule II,

for sub-paragraph (iv), in paragraph (3), the following shall be substituted and shall be deemed to have been substituted with effect from 23rd day of September 2011, namely:-

"(iv) Maturity

(a) The maturity of borrowings in foreign exchange shall be as under:

	Amount	Average Maturity
(i)	Upto USD 20 million or equivalent	Not less than 3 years
(ii)	Exceeding USD 20 million or equivalent	Not less than 5 years

(b) Borrowings upto USD 20 million can have call/put option provided the minimum average maturity of 3 years as prescribed in clause (a) is complied with before exercising call/put option."