

RBI updates norms of Foreign Exchange Management Act

With an aim to promote ease of doing business, the Reserve Bank of India (RBI) on Thursday came out with nine updated rules under the Foreign Exchange Management Act (Fema), 1999.

RBI said that respective original notifications and amendments had been cancelled. " Keeping in view the objective of promoting ' ease of doing business', a need was felt to consolidate the regulations and rationalise them in the light of evolving business environment and changing practices in cross- border transactions relating to external trade and payments," RBI said.

Fema, enacted in 1999 with 25 original notifications, came into force with effect from June 1, 2000. Over the years, the regulations framed under the Act have had over 330 changes.

(Business Standard)