

**RESERVE BANK OF INDIA
(FOREIGN EXCHANGE DEPARTMENT)
CENTRAL OFFICE
MUMBAI**

Notification No. FEMA 186 / 2009 - RB.

February 3, 2009

**Foreign Exchange Management
(Acquisition and Transfer of Immovable Property in India)
(Amendment) Regulations, 2009**

In exercise of the powers conferred by clause (1) 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 (Acquisition and Transfer of Immovable Property in India) Regulations, 2000 ([Notification No. FEMA. 21/2000 -RB](#) dated May 3, 2000), namely:-

2. Short title and commencement

- (a) These Regulations may be called the Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) (Amendment) Regulations, 2009
- (b) They shall be deemed to have come into force from the dates specified in these regulations.

3. Amendment of regulation 6

In the Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations, 2000 ([Notification No. FEMA 21/2000-RB](#) dated May 3, 2000 (hereinafter referred to as the 'principal regulations') in regulation 6, in clause (b) after sub clause (iii), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 11th July, 2008, namely,-

" (c) In the event of failure in repayment of external commercial borrowing availed by a person resident in India under the provisions of the Foreign Exchange Management (Borrowing or

Lending in Foreign Exchange) Regulations, 2000, ([Notification No. FEMA 3/2000-RB](#), dated 3-5-2000) a bank which is an authorised dealer may permit the overseas lender or the security trustee (in whose favour the charge on immovable property has been created to secure the ECB) to sell the immovable property on which the said loan has been secured only to a (by the) person resident in India and to repatriate the sale proceeds towards outstanding dues in respect of the said loan and not any other loan. "

4. Amendment to regulation 8

In the principal regulations, in regulation 8, after the proviso, the following new proviso shall be inserted and shall be deemed to have been inserted with effect from the 11th day of July, 2008, namely, -

"Provided further that a bank which is an authorised dealer may, subject to the directions issued by the Reserve Bank in this behalf, permit a person resident in India or on behalf of such person to create charge on his immovable property in India in favour an overseas lender or security trustee, to secure an external commercial borrowing availed under the provisions of the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 ([Notification No. FEMA 3/2000-RB](#), dated 3-5-2000). "

(Salim Gangadharan)
Chief General Manager –in-Charge

Foot Note:

- i) Certified that no person shall be adversely affected by the retrospective effect given to such Regulations.

ii) The Principal Regulations were published in the Official Gazette vide G.S.R No. 407 (E) dated May 8, 2000 in Part II, Section 3, Sub-Section (i) and subsequently amended vide:

- i) G.S.R No 578 (E) dated 19-8-2002
- ii) G.S.R No 557 (E) dated 22-7-2003
- iii) G.S.R No 130 (E) dated 3-3-2006

**Published in the Official Gazette of Government
of India – Extraordinary – Part-II, Section 3,
Sub-Section (i) dated 01.05.2009 - G. S. R. No. 299 (E)**