

**Reserve Bank of India
Foreign Exchange Department
Central Office
Mumbai-400 001**

Notification No. FEMA 196 / 2009-RB

dated July 28, 2009

**Foreign Exchange Management (Transfer or Issue of Any
Foreign Security) (Fourth Amendment) Regulations, 2009**

In exercise of the powers conferred by clause (a) 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 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) (Fourth Amendment) Regulations, 2009.
- (ii) These Regulations shall be deemed to have come into effect from the 6th day of September, 2006

2. Amendment of Regulation 7 :-

In the principal Regulations, in Regulation 7, for sub-regulation (1), the following shall be substituted, namely :-

"(1) Subject to the Regulations in Part I, an Indian Party engaged in financial services sector in India may make investment in an entity outside India:

Provided that the Indian party

- (i) has earned net profit during the preceding three financial years from the financial services activities;

- (ii) is registered with the regulatory authority in India for conducting the financial services activities;
- (iii) has obtained approval from the concerned regulatory authorities both in India and abroad, for venturing into such financial sector activity;
- (iv) has fulfilled the prudential norms relating to capital adequacy as prescribed by the concerned regulatory authority in India."

(Salim Gangadharan)
Chief General Manager

Foot Note:

(i) The Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 were published in the Official Gazette vide G.S.R.No.757 (E) dated November 19, 2004 and subsequently amended vide G.S.R. No. 220 (E) dated April 7, 2005,
G.S.R. No. 337 (E) dated May 27, 2005,
G.S.R. No. 552 (E) dated August 31, 2005 ,
G.S.R. No. 535 (E) dated September 6, 2006,
G.S.R. No. 13 (E) dated January 5, 2008,
G.S.R. No. 209 (E) dated March 25, 2008,
G.S.R. No. 676 (E) dated September 24, 2008,
G.S.R. No. 756 (E) dated October 31, 2008,
G.S.R. No. 108(E) dated February 20, 2009
G.S.R. No. 301 (E) dated May 1, 2009
G.S.R. No. 441(E) dated June 23, 2009

Published in the Official Gazette of Government of India – Extraordinary – Part-II, Section 3, Sub-Section (i) dated 28.08.2009 - G.S.R.No. 609(E)
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