

RESERVE BANK OF INDIA
(Financial Markets Regulation Department)
(CENTRAL OFFICE)
NOTIFICATION
MUMBAI, the 16th October, 2023

Foreign Exchange Management (Debt Instruments) (Second Amendment) Regulations, 2023

No. FEMA.396(2)/2023-RB. — In exercise of the powers conferred by clause (a) of sub-section (2) 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 to the Foreign Exchange Management (Debt Instruments) Regulations, 2019 ([Notification No. FEMA.396/2019-RB dated October 17, 2019](#)) (hereinafter referred to as 'the Principal Regulation'), namely:-

1. Short title and commencement

- (i) These Regulations shall be called the Foreign Exchange Management (Debt Instruments) (Second Amendment) Regulations, 2023.
- (ii) They shall come into force with effect from the date of their publication in the [Official Gazette](#).

2. Amendment to Schedule 1 to the Principal Regulation

- (i) In paragraph 1 of Schedule 1 to the Principal Regulation, after sub-paragraph D, the following new sub-paragraph shall be inserted:-

“E. Permission to persons resident outside India maintaining rupee account in terms of regulation 7(1) of [Foreign Exchange Management \(Deposit\) Regulations, 2016](#)

Persons resident outside India that maintain a rupee account in terms of regulation 7(1) of [Foreign Exchange Management \(Deposit\) Regulations, 2016](#) may purchase or sell dated Government Securities/treasury bills, as per terms and conditions specified by the Reserve Bank.”

- (ii) In paragraph 2 of Schedule 1 to the Principal Regulation, after clause (4) the following new clause shall be inserted: -

“(4A) The amount of consideration for purchase of dated Government Securities/treasury bills by persons resident outside India in terms of sub-paragraph (E) of paragraph 1 of this Schedule shall be paid out of funds held in their rupee account maintained in terms of regulation 7(1) of [Foreign Exchange Management \(Deposit\) Regulations, 2016](#).”

(iii) In paragraph 4 of Schedule 1 to the Principal Regulation, after clause (2) the following new clause shall be inserted: -

“(2A) The sale/ maturity proceeds (net of taxes, as applicable) of instruments held by persons resident outside India that maintain a rupee account in terms of regulation 7(1) of [Foreign Exchange Management \(Deposit\) Regulations, 2016](#) shall be credited to the said rupee account.”

(Dimple Bhandia)
Chief General Manager

Foot Note:- The Principal Regulation was published in the Official Gazette vide G.S.R.No.796(E) dated October 17, 2019 in Part II, Section 3, sub-Section (i) and amended, vide:

1. [Notification no. FEMA 396\(1\)/2021-RB \[Foreign Exchange Management \(Debt Instruments\) \(First Amendment\) Regulations, 2021\] dated October 13, 2021](#) published in the Gazette of India [Extraordinary, Part III–Section 4], vide Gazette ID CG-MH-E-21102021-230591 dated 21.10.2021.

[Published in the Official Gazette of Government of India Extraordinary Part III, Section 4, dated October 20, 2023](#)