RESERVE BANK OF INDIA
Foreign Exchange Department
Central Office
Mumbai- 400 001

Notification No. FEMA. 339/2015-RB **Dated: March 02, 2015**

Foreign Exchange Management (International Financial Services Centre) Regulations, 2015

In exercise of the powers conferred by section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank makes the following regulations relating to financial institutions set up in International Financial Services Centres, namely:-

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1. Short title and commencement:-

i. These regulations may be called the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015.

ii. They shall come into force from the date of their publication in the Official Gazette.

2. Definitions:-

In these Regulations unless the context requires otherwise , -

(a) 'Act' shall mean the Foreign Exchange Management Act, 1999 (42 of 1999);

(b) 'Financial Institution' shall include

(i) a company, or

(ii) a firm, or

(iii) an association of persons or a body of individuals, whether incorporated or not, or

(iv) any artificial juridical person, not falling within any of the preceding categories engaged in rendering financial services or carrying out financial transactions.

Explanation: For the purpose of this sub-regulation, and without any loss of generality of the above, the expression 'financial institution' shall include banks, non-banking financial companies, insurance companies, brokerage firms, merchant banks, investment banks, pension funds, mutual funds,

trusts, exchanges, clearing houses, and any other entity that may be specified by the Government of India or a Financial Regulatory Authority.

(c) 'Financial service' shall mean activities a financial institution is allowed to carry out as specified in the respective Act of the Parliament or by the Government of India or by any Regulatory Authority empowered to regulate the concerned financial institution.

(d) 'Financial transaction' shall mean making any payment to, or for the credit of any person, or receiving any payment for, by order or on behalf of any person, or drawing, issuing or negotiating any bill of exchange or promissory note, or transferring any security or acknowledging any debt.

(e) 'FMC' shall mean the Forward Market Commission established under the Forward Contracts (Regulation) Act, 1952 (74 of 1952).

(f) 'International Financial Services Centre' or 'IFSC' shall have the same meaning given in Section 2 (q) of the Special Economic Zones Act, 2005 (28 of 2005).

(g) 'IRDA' shall mean mean the Insurance Regulatory and Development Authority established under the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999).

(h) 'PFRDA' shall mean the Pension Fund Regulatory and Development Authority established under the Pension Fund Regulatory and Development Authority Act, 2013 (23 of 2013).

(i) 'Regulatory Authority' shall include Reserve Bank of India (RBI), Securities Exchange Board of India (SEBI), Insurance Regulatory Development Authority (IRDA), Pension Fund Regulatory and Development Authority (PFRDA_, Forward Market Commission (FMC) or any other statutory authority empowered to regulate a financial institution under the Indian laws.

(j) 'SEBI' shall mean the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992 (15 of 1992).

(k) The words and expressions used but not specified in these Regulations shall have the same meanings respectively assigned to them in the Act.

3. Any financial institution or branch of a financial institution set up in the IFSC and permitted/recognised as such by the Government of India or a Regulatory Authority shall be treated as a person resident outside India.

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4. A financial institution or branch of a financial institution shall conduct such business in such foreign currency and with such persons, whether resident or otherwise, as the concerned Regulatory Authority may determine.

5. Subject to the provisions of Section 1(3) of the Act, and save as otherwise provided in these Regulations or any other Regulations or directed by the Reserve Bank of India from time to time, nothing contained in any other regulations shall apply to a financial institution or branch of a financial institution set up in an IFSC.

(B.P. Kanungo)

Principal Chief General Manager

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