RESERVE BANK OF INDIA
(FOREIGN EXCHANGE DEPARTMENT)
CENTRAL OFFICE
MUMBAI 400 001

Notification No. FEMA 7(R)/ 2015-RB **January 21, 2016**

Foreign Exchange Management (Acquisition and transfer of immovable property outside India) Regulations, 2015

In exercise of the powers conferred by clause (h) of sub-section (3) of Section 6, sub-section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), and in supersession of Notification No. FEMA 7/2000-RB dated May 3, 2000, as amended from time to time, the Reserve Bank hereby makes the following regulations relating to acquisition and transfer of immovable property outside India, namely :-

1. Short title and commencement:-

i) These regulations may be called the Foreign Exchange Management (Acquisition and transfer of immovable property outside India) Regulations, 2015.

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

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2. Definitions:-

In these regulations, unless the context requires otherwise, -

i) 'Act' means the Foreign Exchange Management Act, 1999 (42 of 1999);

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

3. Restriction on acquisition or transfer of immovable property outside India:-

Save as otherwise provided in the Act or in these regulations, no person resident in India shall acquire or transfer any immovable property situated outside India without general or special permission of the Reserve Bank.

4. Exemptions:-

Nothing contained in these regulations shall apply to the property -

(a) held by a person resident in India who is a national of a foreign state;
(b) acquired by a person resident in India on or before 8th July 1947 and continued to be held by him with the permission of the Reserve Bank.

5. Acquisition and Transfer of Immovable Property outside India:-

(1) A person resident in India may acquire immovable property outside India, -

(a) by way of gift or inheritance from a person referred to in sub-section (4) of Section 6 of the Act, or referred to in clause (b) of regulation 4;

(b) by way of purchase out of foreign exchange held in Resident Foreign Currency (RFC) account maintained in accordance with the Foreign Exchange Management (Foreign Currency accounts by a person resident in India) Regulations, 2015;

(c) jointly with a relative who is a person resident outside India, provided there is no outflow of funds from India;

(2) A person resident in India may acquire immovable property outside India, by way of inheritance or gift from a person resident in India who has acquired such property in accordance with the foreign exchange provisions in force at the time of such acquisition.

(3) A company incorporated in India having overseas offices, may acquire immovable property outside India for its business and for residential purposes of its staff, in accordance with the direction issued by the Reserve Bank of India from time to time.

Explanation:

For the purposes of these regulations, 'relative' in relation to an individual means husband, wife, brother or sister or any lineal ascendant or descendant of that individual.

(B P Kanungo)

Principal Chief General Manager

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