

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1221

ANSWERED ON:30.11.2012

AMENDMENTS IN FEMA

Joshi Dr. Murli Manohar;Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of FINANCE be pleased to state:

(a) whether the decisions taken by the Government in regard to raising the FDI limit in the retail market in the country faced implementation related hurdle due to the amendments not made in the rules under the Foreign Exchange Management Act (FEMA); and

(b) if so, the details thereof and reaction of the Government thereto?

Answer

MINISTER OF STATE FOR FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): No, Sir. Ministry of Commerce & Industry, Department of Industrial Policy & Promotion vide its Press Note No.4 (2012 Series) dated 20th September, 2012 amended the existing policy on FDI in Single-Brand Product Retail Trading and vide its Press Note No.5 (2012 Series) dated 20th September, 2012 permitted FDI in Multt-Brand Retail Trading under FIPB route subject to certain terms and conditions. The consequent amendments in FEMA regulations were made to facilitate implementation of this policy decision of the Government. RBI issued the A.P. (DIR Series) Circular No. 32 on 21st September, 2012 under Sections 10(4) and 11(1) OF FEMA. Accordingly, RBI amended the relevant regulations of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India), Regulations, 2000 to give effect to the above-said decision which has been notified in Official Gazette (Extraordinary) vide GSR No. 795 (E) dated the 30th October, 2012.