



Foreign Exchange Bulletin

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1. Amendments in NDI Rules under FEMA

The Non-Debt Instruments ("NDI") Rules have been amended to bring changes in the Foreign Direct Investment ("FDI") norms in space sector as under:

Sr. No.	Sector/Activity	Before amendment	After amendment
1	(a) Satellites-Manufacturing and Operation (b) Satellite Data Products (c) Ground Segment and User Segment		Upto 74% - Automatic Beyond 74% upto 100% - Government
2	a) Launch Vehicles and associated systems or sub-systems (b) Creation of Spaceports for launching and receiving Spacecraft	Upto 100% - Government	Upto 49% - Automatic Beyond 49% upto 100% - Government
3	Manufacturing of components and systems or sub-systems for satellites, Ground Segment and User Segment		Upto 100% - Automatic

2. Amendments in Mode of Payment and Reporting Regulations under FEMA

- Reserve Bank of India ("RBI") has provided for the following in the Mode of Payment and Reporting Regulations for purchase / subscription of equity shares of Indian companies on International Stock Exchange ("ISE") in IFSC by permissible holders:
 - Mode of Payment: Through banking channels to a foreign currency account of the Indian company or as inward remittance from abroad through banking channels (bank account in India).
 - Remittance of sale proceeds (net of taxes): Sale proceeds may be remitted outside India or may be credited to the bank account of the permissible holder.
 - Reporting to RBI: The Investee Indian company shall report in Form LEC (FII) the details of purchase / subscription of equity shares (where such purchase / subscription is classified as Foreign Portfolio Investment) by permissible holders on IFSC (other than transfers between permissible holders).

3. Amendments in Foreign Currency accounts held by resident outside India under FEMA

Funds raised through direct listing of equity shares of Indian companies listed on ISE in IFSC can be held in foreign currency accounts with a bank outside India, pending utilisation or repatriation to India. Earlier, funds raised via ECBs, ADRs or GDRs could only be held in foreign currency accounts.

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