



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

RBI/2014-15/307

A.P. (DIR Series) Circular No. 38

November 20, 2014

To

All Category – I Authorised Dealer Banks

Madam/ Sir,

Acquisition/Transfer of Immovable property – Payment of taxes

Attention of Authorised Dealers in Foreign Exchange is invited to Foreign Exchange Management (Acquisition and Transfer of immovable property in India) Regulations, 2000 notified vide [Notification No. FEMA 21 /2000-RB dated 3rd May 2000](#) as amended from time to time.

2. It has been observed that doubts persist in the members of public regarding requirement of payment of taxes while undertaking property transactions under these regulations.

3. In this connection, it is clarified that transactions involving acquisition of immovable property under these regulations shall be subject to the applicable tax laws in India.

4. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Acquisition and Transfer of immovable property in India) (Amendment) Regulations, 2014 notified vide [Notification No. FEMA.321/2014-RB dated September 26, 2014](#) c.f. G.S.R. No.733(E) dated October 17, 2014.

5. Authorised Dealers may bring the content of this circular to the notice of their constituents concerned.

6. The directions contained in this circular have been issued under Section 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully

(C D Srinivasan)
Chief General Manager