

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

**No. FEMA 14(R)/2023-RB**

**December 21, 2023  
(Amended up to February 12, 2025)**

**Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023**

In exercise of the powers conferred by Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and in supersession of [Notification No. FEMA 14\(R\)/2016-RB dated May 02, 2016](#), except as respects things done or omitted to be done before such supersession, the Reserve Bank makes the following regulations, namely:

**1. Short title and commencement.** - (1) These regulations shall be called the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023.

(2) They shall come into force on the date of their publication in the [Official Gazette](#).

**2. Definitions.** - (1) In these regulations, unless the context otherwise requires,-

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

ii. 'Authorised Bank' shall have the same meaning as given in the Foreign Exchange Management (Deposit) Regulations, 2016 as amended from time to time.

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

**3. Manner of receipt and payment.** – (1) Save as otherwise in a manner as provided in the Act or the rules or regulations made or directions issued under the Act, no person resident in India shall make or receive payment from a person resident outside India:

Provided that the Reserve Bank may, on an application made to it, permit a person resident in India to make or receive payment under the Act.

(2) The receipt and payment between a person resident in India and a person resident outside India shall, unless provided otherwise, be made through an Authorised Bank or Authorised Person and in the manner as specified below:

**(I) Trade transactions** - (a) receipt/payment for export to or import from the countries given below of eligible goods and services shall be made as under:

(i) **Nepal and Bhutan** - in Indian Rupees provided that in case of exports from India where the importer in Nepal has been permitted by the Nepal Rashtra Bank to make payment in foreign currency, such receipts towards the amount of the export may be in foreign currency;

<sup>1</sup>[(ii) **Member countries of ACU, other than Nepal and Bhutan** – In respect of payments from a resident in the territory of one participant country to a resident in the territory of another participant country, through ACU mechanism, or as per the directions issued by the Reserve Bank to authorised dealers from time to time. For all other transactions, receipt and payment may be made in a manner as specified at (iii) below.]

(iii) **Countries other than member countries of ACU** - In Indian Rupees or in any foreign currency.

(b) Notwithstanding anything contained in this sub-regulation, receipts and payments may also be made in a manner as may be provided in the extant Foreign Trade Policy framed by the Central Government.

Explanation: The expression 'ACU' (Asian Clearing Union) shall have the same meaning assigned to it under Article I of the ACU agreement and the ACU mechanism shall be construed accordingly.

**(II) Transactions other than trade transactions** - receipt and payment shall be made as under:

(i) **Nepal and Bhutan** - In Indian Rupees provided that in case of overseas investment in Bhutan, payment may also be made in foreign currency;

(ii) **Other Countries** – In Indian Rupees or any foreign currency.

(3) Payment and receipt in India for any current account transaction, other than a trade transaction, between any person resident in India and a person resident outside India, who is on a visit to India, may be made only in Indian Rupees.

Provided that any payment or receipt under regulation 3 may also be made by debit/ credit to a bank account maintained in terms of the rules, regulations or directions issued under the Act.

**(Dr Aditya Gaiha)**  
**Chief General Manager-in-Charge**

---

<sup>1</sup> Prior to its substitution, the item (ii) of sub-clause (a) of clause (I) of sub-regulation (2) of regulation 3 read as follows:  
“(ii) Member countries of ACU, other than Nepal and Bhutan - through ACU mechanism or as per the directions issued by the Reserve Bank to authorised dealer from time to time:  
Provided that in case of imports where the goods are shipped to India from a member country of the ACU (other than Nepal and Bhutan) but the supplier is resident of a country other than a member country of the ACU, the payment may be made in a manner as specified at (iii) below.”

The Principal Regulations were published in the Official Gazette vide Notification No. FEMA 14(R)/2023-RB dated December 20, 2023 (published on December 21, 2023) in Part III, Section 4 and subsequently amended, vide following notifications:

- (i) [Notification no. FEMA 14\(R\)\(1\)/2025-RB dated February 10, 2025](#) (published on February 11, 2025 in Part III, Section 4 in the Official Gazette)