**Preface**

Measures taken by the Government on FDI Policy reforms have resulted in increased FDI inflow in the country. FDI inflow in India stood at USD 36 billion in 2013-14 and registered its highest ever annual FDI inflow of USD 85 billion in the financial year 2021-22. During FY 2022-23, FDI inflow of USD 71 billion (provisional figure) has been reported. During the current financial year, 2023-24 (up-to September 2023) FDI worth USD 33 billion has been reported. Also, India continues to be the highest recipient of remittances globally, followed by Mexico ($67 billion) and China ($50 billion).

Cross-border remittances are subject to the regulatory requirements. Each country has its systems and regulatory authorities. In India we have RBI. In Singapore, the MAS oversees cross-border payments. In Europe, the SEPA system and other legislation like PSD2 is used. While RBI (alongwith Central Government) is primary authority effectively manage, regulate and govern the Foreign Exchange, the implementation is mostly left to be ensured by Banks and professionals like Chartered Accountants, Company Secretaries and Cost Accountants through various certification requirements from these professionals, who are fully equipped to understand the intricacies of law and can guide the companies in effective compliance of Law.

With so much cross border transactions happening it serves a lot of purpose to have a book which is simplifies the fundamentals and is exhaustive with regard to law and regulations. This Book is one place solution to all the needs of professionals and the AD banks for effective management and execution of Foreign Exchange law in India.

The book deals in great details about Foreign Exchange Management Act, 1999 ('FEMA') being the major law regulating foreign exchange. The book provides the comprehensive commentary on various Sections, Rules, Regulations under FEMA and is complete guide to various provisions with regard to Foreign Investment. It has been presented in the manner which is easy to understand and practical to use.

The concepts like Residential Status, Capital and Current Account transactions etc. which are very necessary to be appreciated in totality to have understanding regarding the Act are discussed along with the glossary of terms under FEMA in the beginning.

The book is divided into eight segments based on the relevant topics.

* Segment 01 deals the fundamental aspects of FEMA including the regulatory framework, detailed section wise commentary, current and capital account transactions, currency, regulatory bodies in detail.
* Section 2 deals comprehensively delas with the Foreign investment. Foreign investment is divided into two types I,e. Foreign Direct investment and Foreign portfolio investment. Segment 2 deals extensively deals with both along with FDI in various type of entities.
* Segment 3 deals with cross border assets which a person resident in India can hold outside India and vice versa.
* Segment 4 deals with Borrowings in detailed manner containing borrowings given by various entities from India and borrowings taken by Person resident in India and also deals with the trade finance, ECB, trade credit, pledge, charge and guarantee.
* Segment 05 deals with IFSC in detail containing the provisions with regard to IFSC in detail.
* Segment 06 deals with the trade transaction covering export, import and merchanting trade in detail
* Section 07 deals with all the provisions of appeal, adjudication and compounding under FEMA,1999, late submission fees and Enforcement Directorate
* Section 08 deals with overseas investment in detail.

Every attempt has been made to keep the complex law simple. Pictorial representation, checklist, examples, case studies, compounding orders, have been provided to substantiate the provisions.

Hope this book is useful to you. Thanks for your appreciation for the earlier versions of this book and the other books.

Please give your kind feedback on how the book can be more useful to you.

Willing to receive your feedback and questions.

Yours Sincerely,

**Sudha Bhasha**