

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7296
ANSWERED ON:13.05.2005
FEMA
Harsha Kumar Shri G.V.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has received proposals from various quarters to liberalise the Foreign Exchange Management Act (FEMA); and

(b) if so, the action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a)& (b): Liberalisation of foreign exchange transactions, regulated under Foreign Exchange Management Act, 1999 (FEMA), is undertaken through amendment of Rules and Regulations under the Act framed by the Government of India and Reserve Bank of India respectively from time to time. The amendments are duly notified in the Gazette of India and laid on the Table of both Houses of Parliament. Liberalisation is a continuous and ongoing process and it has been the constant endeavour of Government of India/Reserve Bank of India to undertake it suo moto or otherwise, as and when deemed necessary.