



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

RBI/2012-13/198

September 7, 2012

A. P. (DIR Series) Circular No. 25

To

All Category – I Authorised Dealer Banks

Madam / Sir,

Overseas Investment by Indian Parties in Pakistan

Attention of the Authorised Dealer (AD - Category I) banks is invited to the [Notification No. FEMA 120/RB-2004 dated July 7, 2004](#) [Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004] (the Notification), as amended from time to time.

2. In terms of Regulation 6 (2) of the Notification *ibid*, "Notwithstanding anything contained in these Regulations, investment in Pakistan shall not be permitted." It has now been decided that the overseas direct investment by Indian Parties in Pakistan shall henceforth be considered under the approval route under Regulation 9 of the Notification, *ibid*.

3. Necessary amendments to the Foreign Exchange Management (Transfer or Issue of Any Foreign Security), Regulations, 2004 are being issued separately.

4. AD - Category I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

5. The directions contained in this circular have been issued under Sections 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,

Dr. (Smt.) Sujatha Elizabeth Prasad
Chief General Manager-In-Charge