



FOREIGN EXCHANGE

N. A. SHAH **BULLETIN**

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N. A. SHAH ASSOCIATES LLP
Chartered Accountants



Opening of foreign currency account by Indian Party for making ODI

An Indian Party (IP) may now open, hold and maintain Foreign Currency Account (FCA) abroad for the purpose of making overseas direct investments (ODI) subject to the following terms and conditions:

- The IP is eligible for making ODI in terms of ODI Regulations
- The host country regulations stipulate that the investment into the country is required to be routed through a designated account
- The remittances sent to the account by the IP should be utilized only for making ODI
- The IP shall submit the details of the account along with auditors certificate on yearly basis to the designated AD bank certifying that the account was maintained as per the host country laws and the extant FEMA regulations
- Within 30 days of ODI disinvestment, the account so opened shall be closed

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From:

N. A. Shah Associates LLP
Chartered Accountants

Address: B 41-45 & B21-25, Paragon Centre, Pandurang Budhkar Marg, Mumbai
– 400013.

Tel: 91-022-4073 3000, Fax: 91-022-4073 3090

E-mail Id: info@nashah.com