



RBI/FED/2015-16/7

FED Master Direction No. 12/2015-16

January 1, 2016

[Updated as on September 01, 2022]

[Updated as on June 6, 2022]

[Updated as on April 11, 2018]

[Updated as on February 4, 2016\*]

To,

All Category - I Authorised Dealer banks and Authorised Banks

Madam/ Sir

**Master Direction – Acquisition or Transfer of Immovable Property under  
Foreign Exchange Management Act, 1999**

Acquisition or transfer of immovable property by Indian residents outside India and Non-residents in India is regulated in terms of sub-sections 2.(a), (4) and (5) of section 6 of the Foreign Exchange Management Act, 1999 (FEMA) read with <sup>1</sup>Rule 21 of [Foreign Exchange Management \(Overseas Investment\) Rules, 2022 dated August 22, 2022](#) and paragraph 25 of the [Foreign Exchange Management \(Overseas Investment\) Directions, 2022 dated August 22, 2022](#) and <sup>2</sup>[Foreign Exchange Management \(Non-debt Instruments\) Rules, 2019, dated October 17, 2019](#), respectively. These Rules and Regulations are amended from time to time to incorporate the changes in the regulatory framework and published through amendment notifications.

2. Within the contours of the Rules and Regulations, Reserve Bank of India also issues directions to Authorised Persons under Section 11 of the Foreign Exchange Management Act (FEMA), 1999. These directions lay down the modalities as to how the foreign exchange business has to be conducted by the Authorised Persons with their customers/constituents with a view to implementing the regulations framed.

3. Instructions issued on acquisition of immovable property have been compiled in this Master Direction. The list of underlying circulars/ Rules and Regulations which form the basis of this Master Direction is furnished in the Appendix. Reporting instructions can be found in Master Directions on reporting ([Master Direction No. 18 dated January 1, 2016](#))

4. It may be noted that, whenever necessary, Reserve Bank shall issue directions to Authorised Persons through A.P. (DIR Series) Circulars in regard to any change in the Rules, Regulations or the manner in which relative transactions are to be conducted by the Authorised Persons with their customers/ constituents. The Master Direction issued herewith shall be amended suitably simultaneously.

Yours faithfully

(Vivek Srivastava)  
Chief General Manager

\* Since this Master Direction has been significantly amended, it has been replaced rather than showing the changes in track mode for reader convenience. The changes are listed as footnotes.

<sup>1</sup> [Notification No. FEMA 7\(R\)/2015-RB dated January 21, 2016](#) was superseded by [Foreign Exchange Management \(Overseas Investment\) Rules, 2022 with effect from August 22, 2022](#).

<sup>2</sup> [FEM \(Acquisition and Transfer of Immovable Property in India\) Regulations, 2018](#), were superseded by [FEM \(Non-debt Instruments\) Rules, 2019, with effect from October 17, 2019](#).

### **<sup>3</sup>Master Direction 12/ 2015-16 - Acquisition or Transfer of Immovable Property under Foreign Exchange Management Act, 1999**

#### **Part I - Acquisition or Transfer of Immovable Property outside India by a person resident in India**

<sup>4</sup>The acquisition or transfer of immovable property outside India by a person resident in India shall be governed by the provisions contained under Rule 21 of the [Foreign Exchange Management \(Overseas Investment\) Rules, 2022 dated August 22, 2022](#) and paragraph 25 of the [Foreign Exchange Management \(Overseas Investment\) Directions, 2022 dated August 22, 2022](#).

#### **Part II - Acquisition or Transfer of Immovable Property in India**

##### **1. Introduction**

1.1 The FEMA 1999 empowers the Central Government to prescribe, in consultation with the RBI, rules pertaining to capital account transactions, not involving debt instruments. The Central Government has, accordingly, notified the <sup>5</sup>[Foreign Exchange Management \(Non-debt Instruments\) Rules, 2019, dated October 17, 2019](#), as amended from time to time, in supersession of the [Foreign Exchange Management \(Acquisition and Transfer of Immovable Property in India\) Regulations, 2018](#). These Rules do not apply to acquisition or transfer of immovable property in India by a person resident outside India on a lease not exceeding five years.

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<sup>3</sup> Updated up to September 01, 2022, through [Foreign Exchange Management \(Overseas Investment\) Rules, 2022](#)

<sup>4</sup> In view of supersession of Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015 with [Foreign Exchange Management \(Overseas Investment\) Rules, 2022](#) and issuance of directions for “Acquisition or Transfer of Immovable Property outside India” within the Foreign Exchange Management (Overseas Investment) Directions, 2022 vide [A.P. \(DIR Series\) Circular No.12 with effect from August 22, 2022](#), the acquisition and transfer of Immovable property shall be governed accordingly.

<sup>5</sup> [Notification No. FEMA 21R](#) has been superseded by [FEM \(NDI\) Rules, 2019](#)

1.2 As per section 6(5) of FEMA, a person resident outside India can hold, own, transfer or invest in any immovable property situated in India if such property was acquired, held or owned by him/ her when he/ she was resident in India or inherited from a person resident in India.

## **2. Definitions**

Some key terms used in the Rules are given below:

2.1 <sup>6</sup>A 'Non-Resident Indian' (NRI) is a person resident outside India who is a citizen of India.

2.2 <sup>7</sup>An 'Overseas Citizen of India (OCI)' is a person resident outside India who is registered as an Overseas Citizen of India Cardholder under Section 7(A) of the Citizenship Act, 1955.

2.3 'Repatriation outside India' means the buying or drawing of foreign exchange from an authorised dealer in India and remitting it outside India through banking channels or crediting it to an account denominated in foreign currency or to an account in Indian currency maintained with an authorised dealer from which it can be converted in foreign currency.

2.4 'Transfer' includes sale, purchase, mortgage, exchange, pledge, gift, loan or any other form of transfer of right, title, possession or lien.

2.5 'Relative' means relative as defined in section 2(77) of the Companies Act, 2013.

## **3. Acquisition/ transfer by a Non- Resident Indian (NRI)**

### **3.1 <sup>8</sup>Acquisition of immovable property**

3.1.1 <sup>9</sup>An NRI or an OCI can acquire by way of purchase any immovable property (other than agricultural land/ plantation property/ farm house) in India.

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<sup>6</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). Prior to insertion, it read as "A 'Non-Resident Indian' (NRI) is a citizen of India resident outside India."

<sup>7</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). Prior to insertion it read as, "A 'Person of Indian Origin' means an individual (not being a citizen of Pakistan or Bangladesh or Sri Lanka or Afghanistan or China or Iran or Nepal or Bhutan) who at any time, held an Indian Passport or who or either of whose father or mother or whose grandfather or grandmother was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955)."

<sup>8</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). Prior to insertion, it read as "Purchase of Immovable Property."

<sup>10</sup>3.1.2 An NRI or an OCI can acquire by way of gift any immovable property (other than agricultural land/ plantation property/ farm house) in India from person resident in India or from an NRI or an OCI who is a relative as defined in section 2(77) of the Companies Act, 2013.

<sup>11</sup>3.1.3 An NRI or an OCI can acquire any immovable property in India by way of inheritance from a person resident outside India who had acquired the property in accordance with the provisions of the foreign exchange law in force at the time of acquisition.

<sup>12</sup>3.1.4 An NRI or an OCI can acquire any immovable property in India by way of inheritance from a person resident in India

### **3.2 Transfer of immovable property**

(a) <sup>13</sup>An NRI or an OCI may transfer any immovable property in India to a person resident in India;

(b) <sup>14</sup>An NRI or an OCI may transfer any immovable property (other than agricultural land or plantation property or farmhouse) to an NRI or <sup>15</sup>an OCI. **In case the transfer is by way of gift, the transferee should be a relative as defined in section 2(77) of the Companies Act, 2013.**

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<sup>9</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). Prior to insertion it read as, "An NRI can acquire by way of purchase any immovable property (other than agricultural land/ plantation property/ farm house) in India."

<sup>10</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#)

<sup>11</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#)

<sup>12</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#)

<sup>13</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). Prior to insertion it read as, "An NRI may transfer any immovable property in India to a person resident in India."

<sup>14</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). Prior to insertion it read as, "An NRI or a PIO resident outside India may transfer any immovable property (other than agricultural land or plantation property or farm house) to an NRI or PIO resident outside India."

<sup>15</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). Prior to insertion it read as: "NRIs can make payment for acquisition of immovable property (other than agricultural land/ plantation property/ farm house) out of funds received in India through normal banking channels by way of inward remittance from any place outside India or by debit to his NRE/ FCNR (B)/ NRO account."

### 3.3 Payment for Acquisition of Immovable Property

- (a) <sup>16</sup>NRIs or OCIs may make payment, if any, for transfer of immovable property out of funds received in India through banking channels by way of inward remittance from any place outside India or by debit to their NRE/ FCNR (B)/ NRO account;
- (b) Such payments cannot be made either by traveller's cheque or by foreign currency notes or by other mode except those specifically mentioned above.

#### <sup>17</sup>4. Joint acquisition by the spouse of an NRI or an OCI

4.1 A person resident outside India, not being a Non-Resident Indian or an Overseas Citizen of India, who is a spouse of a Non-Resident Indian or an Overseas Citizen of India may acquire one immovable property (other than agricultural land/ farm house/ plantation property), jointly with his/ her NRI/ OCI spouse.

4.2 Consideration for transfers made under this para should be out of funds received in India through banking channels by way of inward remittance from any place outside India or by debit to non-resident account of the person concerned maintained in accordance with the Act or the rules framed thereunder. Payments cannot be

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<sup>16</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). Prior to insertion it read as: "NRIs can make payment for acquisition of immovable property (other than agricultural land/ plantation property/ farm house) out of funds received in India through normal banking channels by way of inward remittance from any place outside India or by debit to his NRE/ FCNR (B)/ NRO account."

<sup>17</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). Prior to insertion, it read as, "4. Acquisition/ transfer by a Person of Indian Origin (PIO)

**4.1 Purchase of immovable property**

A PIO resident outside India can acquire by way of purchase any immovable property (other than agricultural land/ plantation property / farm house) in India.

**4.2 Gift/ Inheritance of immovable property**

A PIO resident outside India may acquire

(a) any immovable property (other than agricultural land/ plantation property/ farm house) in India by way of gift from a person resident in India or an NRI or a PIO resident outside India;

(b) any immovable property in India by way of inheritance from a person resident outside India who had acquired such property in accordance with the provisions of the foreign exchange law in force or FEMA regulations, at the time of acquisition of the property or from a person resident in India.

**4.3 Transfer of immovable property**

A PIO resident outside India can transfer

(a) by way of sale, any immovable property in India (other than agricultural land/ farm house/ plantation property), to a person resident in India;

(b) by way of gift or sale, agricultural land/ farm house/ plantation property in India, to a person resident in India who is a citizen of India; by way of gift, residential or commercial property in India, to a person resident in India or to an NRI or to a PIO resident outside India.

**4.4 Payment for Acquisition of Immovable Property in India**

(a) A PIO resident outside India can make payment for acquisition of immovable property in India (other than agricultural land/ farm house/ plantation property) by way of purchase out of funds received by inward remittance through normal banking channels or by debit to his NRE/ FCNR (B) / NRO account;

(b) Such payments cannot be made either by traveller's cheque or by foreign currency notes or by other mode other than those specifically mentioned above."

made either by traveller's cheque or by foreign currency notes or by other mode except those specifically mentioned in this para.

4.3 The marriage should have been registered and subsisted for a continuous period of not less than two years immediately preceding the acquisition of such property.

4.4 The non-resident spouse should not otherwise be prohibited from such acquisition.

#### **185. Acquisition by a Long-Term Visa holder**

5.1 A person being a citizen of Afghanistan, Bangladesh or Pakistan belonging to minority communities in those countries viz., Hindus, Sikhs, Jains, Buddhists, Parsis and Christians, who is residing in India and has been granted a Long-Term Visa (LTV) by the Central Government may purchase only one residential immovable property in India as dwelling unit for self-occupation and only one immovable property for self-employment.

5.2 The property should not be located in and around restricted/ protected areas so notified by the Central Government and cantonment areas.

5.3 The person should submit a declaration to the Revenue Authority of the district where the property is located specifying the source of funds and that he/ she is residing in India on a LTV.

5.4 The registration documents of the property should mention the nationality and the fact that such person is on a LTV.

5.5 The property of such person may be attached/ confiscated in the event of his/ her indulgence in anti-India activities.

5.6 A copy of the documents of the purchased property shall be submitted to the Deputy Commissioner of Police (DCP)/ Foreigners Registration Office (FRO)/ Foreigners Regional Registration Office (FRRO) concerned and to the Ministry of Home Affairs (Foreigners Division).

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<sup>18</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). Subsequent to this insertion paragraphs 5 to 9 have been numbered as 6-10, respectively

5.7 Sale of the immovable property so acquired is permissible only after such person has acquired Indian citizenship. However, transfer of such immovable property before acquiring Indian citizenship requires the prior approval of the Deputy Commissioner of Police (DCP)/ Foreigners Registration Office (FRO)/ Foreigners Regional Registration Office (FRRO) concerned.

## **6. Acquisition of immovable Property by Foreign Embassies/ Diplomats/ Consulate Generals**

Foreign Embassy/ Diplomat/ Consulate General, may purchase/ sell immovable property (other than agricultural land/ plantation property/ farm house) in India provided –

- (a) Clearance from the Government of India, Ministry of External Affairs is obtained for such purchase/sale, and
- (b) The consideration for acquisition of immovable property in India is paid out of funds remitted from abroad through the normal banking channels.

## **7. Acquisition of immovable property by person resident outside India for carrying on a permitted activity**

7.1 A branch or office or any other place of business in India, other than a liaison office, established by a person resident outside India, may acquire immovable property in India which is necessary for or incidental to the activity carried on in India by such branch or office.

7.2 Such a person is required to file with the Reserve Bank a declaration in the form IPI (as given in the Master Direction on Reporting), not later than ninety days from the date of such acquisition.

7.3 The immovable property so acquired can be mortgaged to an Authorised Dealer as a security for any borrowing.

7.4 However, acquisition of immovable property in India by a branch, office or other place of business of persons of Pakistan or Bangladesh or Sri Lanka or Afghanistan or China or Iran or Hong Kong or Macau or Nepal or Bhutan or <sup>19</sup>Democratic

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<sup>19</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#).

People's Republic of Korea origin/ nationality/ ownership requires the prior approval of the Reserve Bank.

## **8. Repatriation of sale proceeds of immovable property**

8.1 A person acquiring property in accordance with section 6(5) of FEMA (reference para 1.2 of Part II) or his successor cannot repatriate outside India the sale proceeds of such immovable property without the prior permission of the Reserve Bank.

<sup>20</sup>However, if such a person is resident outside India, he/ she can utilise the remittance facilities available under the [Foreign Exchange Management \(Remittance of Assets\) Regulations, 2016](#), as amended from time to time.

8.2 In the event of sale of immovable property other than agricultural land/ farm house/ plantation property in India by <sup>21</sup>a PIO resident outside India [who held property in India in terms of the erstwhile [FEM \(Acquisition and transfer of Immovable Property in India\) Regulations, 2000](#)] or an NRI or an OCI, the Authorised Dealer may allow repatriation of the sale proceeds outside India, provided the following conditions are satisfied, namely:

- (a) the immovable property was acquired by the seller in accordance with the provisions of the foreign exchange law in force at the time of acquisition by him;<sup>22</sup>
- (b) <sup>23</sup>the amount for acquisition of the immovable property was paid in foreign exchange received through banking channels or out of funds held in FCNR(B) account or NRE account;

In case an immovable property in India has been purchased by <sup>24</sup>a PIO resident outside India [who held property in India in terms of the erstwhile

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<sup>20</sup> Inserted as [Foreign Exchange Management \(Remittance of Assets\) Regulations, 2000](#) was repealed and replaced by [Foreign Exchange Management \(Remittance of Assets\) Regulations, 2016](#). Prior to insertion it read as, "However, if such a person is an NRI or a PIO resident outside India, he can make a remittance under the facilities available under the Foreign Exchange Management (Remittance of Assets) Regulations, 2000, as amended from time to time."

<sup>21</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). Prior to insertion it read as, "NRI/ PIO resident outside India."

<sup>22</sup> Deleted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). Prior to deletion it read as, "or the provisions of Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations 2000."

<sup>23</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). Prior to insertion it read as, "the amount to be repatriated does not exceed the amount paid for acquisition of the immovable property received through normal banking channels or out of funds held in FCNR(B) account or NRE account."

<sup>24</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). Prior to insertion it read as, "an NRI/ PIO"

FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2000] or an NRI or a OCI out of housing loans availed in terms of [Foreign Exchange Management \(Borrowing and lending in rupees\) Regulations, 2000](#), as amended from time to time, and the repayments for such loans are made out of remittances received from abroad through banking channels or by debit to the NRE/ FCNR(B) account of such person, such repayments may be treated as equivalent to foreign exchange received.

(c) in the case of residential property, the repatriation of sale proceeds is restricted to not more than two such properties

<sup>25</sup>8.3 In the event of failure in repayment of external commercial borrowing availed by a person resident in India under the provisions of the [Foreign Exchange Management \(Borrowing or Lending in Foreign Exchange\) Regulations, 2000](#), as amended from time to time, a bank which is an authorised dealer may permit the overseas lender or the security trustee (in whose favour the charge on immovable property has been created to secure the ECB) to sell the immovable property on which the said loan has been secured only to a (by the) person resident in India and to repatriate the sale proceeds towards outstanding dues in respect of the said loan and not any other loan.

## **9. Prohibition on acquisition or transfer of immovable property in India by citizens of certain countries**

<sup>26</sup>9.1 Citizens of Pakistan, Bangladesh, Sri Lanka, Afghanistan, China, Iran, Nepal, Bhutan, Macau, Hong Kong and Democratic People's Republic of Korea cannot, without prior permission of the Reserve Bank, acquire or transfer immovable property in India, other than on lease, not exceeding five years. For this purpose the term "citizen" shall include natural persons and legal entities.

<sup>27</sup>9.2 The prohibition at 9.1 above shall not apply to an OCI.

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<sup>25</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#).

<sup>26</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). Prior to insertion it read as, "*Citizens of Pakistan, Bangladesh, Sri Lanka, Afghanistan, China, Iran, Nepal, Bhutan, Macau or Hong Kong cannot, without prior permission of the Reserve Bank, acquire or transfer immovable property in India, other than on lease, not exceeding five years.*"

<sup>27</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#).

## 10. Miscellaneous

10.1 Authorized Dealer Category-I banks may convey no objection for creation of charge on immovable assets of a person resident in India either in favour of the external commercial borrowing (ECB) lender or the security trustee subject to the following conditions:

- (a) 'No objection' shall be granted only to a resident ECB borrower;
- (b) The period of such charge on immovable assets has to be co-terminus with the maturity of the underlying ECB;
- (c) Such 'no objection' should not be construed as a permission to acquire immovable asset (property) in India, by the overseas lender/ security trustee;
- (d) In the event of enforcement/ invocation of the charge, the immovable asset (property) will have to be sold only to a person resident in India and the sale proceeds shall be repatriated to liquidate the outstanding ECB.

<sup>28</sup>10.2 An authorised dealer which is an Indian correspondent of an overseas lender may create a mortgage on an immovable property in India owned by an NRI or an OCI who is a director of a company outside India, for a loan to be availed by the company outside India from the said overseas lender subject to the following conditions:

- (a) The funds should be used by the borrowing company only for its core business purposes overseas; and
- (b) In case of invocation of charge the authorised dealer should sell the immovable property to an eligible acquirer and remit the sale proceeds to the overseas lender.

<sup>29</sup>10.3 A person resident outside India who has acquired any immovable property in India in accordance with foreign exchange laws in force at the time of such acquisition or with the general or specific permission of the Reserve Bank may transfer such property to a person resident in India provided the transaction takes

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<sup>28</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#).

<sup>29</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). On the insertion the existing paras 9.2 and 9.3 have been renumbered as 10.4 and 10.5, respectively.

place through banking channels in India and provided that the resident is not otherwise prohibited from such acquisition.

10.4 Any transfer of property not covered in these directions will require the prior permission of the Reserve Bank.

10.5 As per Government of India Press Release dated February 1, 2009, (given in the [annex](#)) in order to be considered as a person resident in India, a person has to not only satisfy the condition of the period of stay (being more than 182 days during the course of preceding financial year) but also his purpose of stay as well as the type of Indian visa granted to him should clearly indicate the intention to stay in India for an uncertain period. In this regard, to be eligible, the intention to stay has to be unambiguously established with supporting documentation including visa.

<sup>30</sup>10.6 Any transaction involving acquisition or transfer of immovable property by a person resident outside India should be through banking channels in India.

<sup>31</sup>10.7 Any existing holding of immovable property in India by a person resident outside India made in accordance with the policy in existence at the time of such acquisition would not require any modifications to conform to the [Foreign Exchange Management \(Non-debt Instruments\) Rules, 2019](#).

## **11. <sup>32</sup>Payment of taxes and other duties/ levies in India**

Any transaction involving acquisition of immovable property by a person resident outside India shall be subject to applicable tax laws and other duties/ levies in India.

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<sup>30</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#).

<sup>31</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#).

<sup>32</sup> Inserted by FEM (Acquisition and transfer of Immovable Property in India) Regulations, 2018 with effect from March 26, 2018 through [FEMA 21\(R\), dated 26.03.2018](#). Prior to insertion it read as, "10. *Payment of taxes – Any transaction involving acquisition of immovable property under these regulations shall be subject to applicable tax laws in India.*"

## APPENDIX

### List of notifications / A.P.(DIR Series) circulars which have been consolidated in this Master Direction

Notification / Circular	Date
<sup>33</sup> <a href="#">Foreign Exchange Management (Non-debt Instruments) Rules, 2019</a>	October 17, 2019
<sup>34</sup> <a href="#">Foreign Exchange Management (Overseas Investment) Rules, 2022</a>	August 22, 2022
<sup>35</sup> <a href="#">FEMA 21(R)/2018-RB</a>	March 26, 2018
<a href="#">A.P. (DIR Series) Circular No.12</a>	August 22, 2022

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<sup>33</sup> [FEMA 21 R](#) has been superseded by [FEM \(NDI\) Rules, 2019](#).

<sup>34</sup> [FEMA 7\(R\)](#) has been superseded by [Foreign Exchange Management \(Overseas Investment\) Rules, 2022](#).

<sup>35</sup> [FEMA 21](#) repealed and replaced by [FEMA 21\(R\)](#). The new notification was issued in the Gazette of India vide G.S.R.280(E) dated March 26, 2018

**Press Release of Government of India**

**Ministry of Finance**

**February 1, 2009**

**Government's advice on acquiring land by persons residing outside India**

**15:8 IST**

Government of India has advised State Governments to be extra vigilant in matters of acquisition and transfer of immovable property in India by a person resident outside India and satisfy themselves about the eligibility under FEMA before registering a sale or purchase of immovable property in India. The enquiries may include both the intending buyers and sellers. The relevant travel documents and the nature of visa may also be verified before registering such sale / purchase. Government has further advised all including concerned authorities in the State Governments that wherever appropriate, the authorities may consider reviewing registration of sale / purchase already made to determine their compliance with legal requirements. Further, persons acquiring immovable property have to fulfil the requirements, if any, prescribed by the State authorities.

A foreign company which has established a Branch Office or other place of business in India under the provisions of Foreign Exchange Management (Establishment in India of Branch or Office or Other Place of Business) Regulations, 2000 ([FEMA 22/2000-RB dated the 3rd May, 2000](#)) can acquire immovable property in India which is necessary for or incidental to carrying on such activity, subject to the conditions stipulated in Regulation 5 of Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations, 2000 ([Notification No. 21/2000-RB dated the 3rd May, 2000](#)).

Apart from above, a foreign national who is residing in India for more than 182 days during the course of the preceding financial year for taking up employment or carrying on business / vocation or for any other purpose indicating his intention to stay for an uncertain period can acquire immovable property in India as he would be a 'person resident in India' as per section 2(v) of FEMA, 1999. To be treated as a person resident in India under FEMA, a person has not only to satisfy the condition of the period of stay (being more than 182 days during the course of preceding financial year) but also his purpose of stay as well as the type of Indian visa granted to him to clearly indicate the intention to stay in India for an uncertain period. In this regard, to be eligible, the intention to stay has to be unambiguously established with supporting documentation including visa.

As per the provisions contained in Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulation 21/2000 ([Notification No. 21/2000-RB dated the 3rd May, 2000](#)), an Indian citizen resident outside India and a Person of Indian Origin resident outside India may acquire immovable property in India other than agricultural land, plantation or a farm house.

It has come to the notice of the Central Government that foreign nationals are buying immovable property illegally in some parts of the country, particularly in Goa, which has raised concerns. Many organisations and social groups have also made representations to the Central Government expressing their serious concerns in this regard. It has also been observed that foreign nationals coming to India and staying beyond 182 days on a tourist or other visa meant for a certain period are illegally acquiring immovable property in India in violation of the extant rules and regulations under FEMA.

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