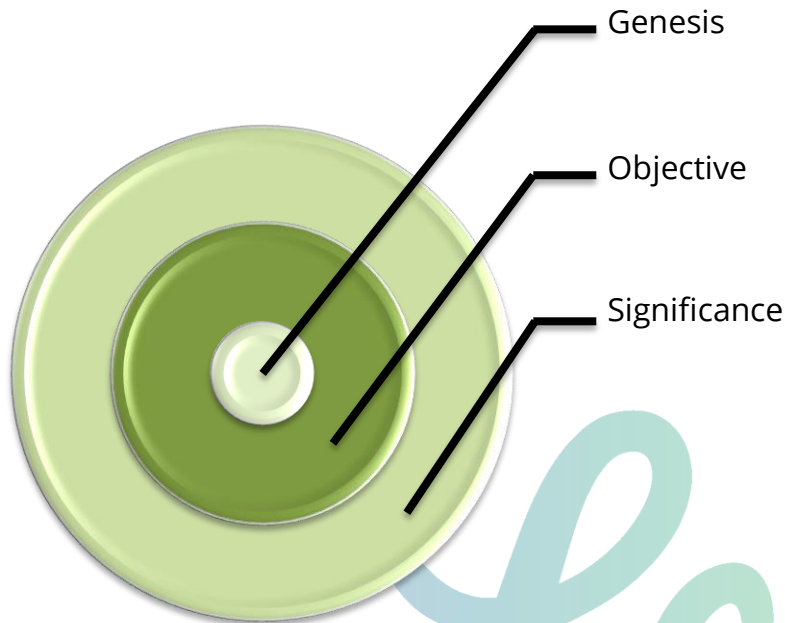


The Foreign Exchange Management Act, 1999

Preamble & Interpretation



Genesis

- ❖ The old Foreign Exchange Regulation Act (FERA) was repealed and replaced by the Foreign Exchange Management Act (FEMA).
- ❖ When the new Act was made, it was a combined package of **Foreign Exchange Management Act, 1999** and the **Prevention of Money Laundering Act, 2002** called the “**FEMA & PML Bill**”
- ❖ Later, the two were separated.
- ❖ An analysis of the law relating to foreign exchange will be complete only when the Foreign Exchange Management Act is read with –
 - Foreign Contribution Regulation Act
 - FDI Policy of the Government of India

Preamble and Objective

The Act was enacted to change over from Regulation/Control/Prohibitions to Consolidation/Management of Foreign Exchange Reserves of the country		
<p>Section 1 It extends to the whole of India &</p>	<p>Contraventions committed outside India by a person covered by the Act</p>	<p>It came into force on 1st of June 2000</p>

Significance of the Act



Significance of the Act

