

Lecture 14.2

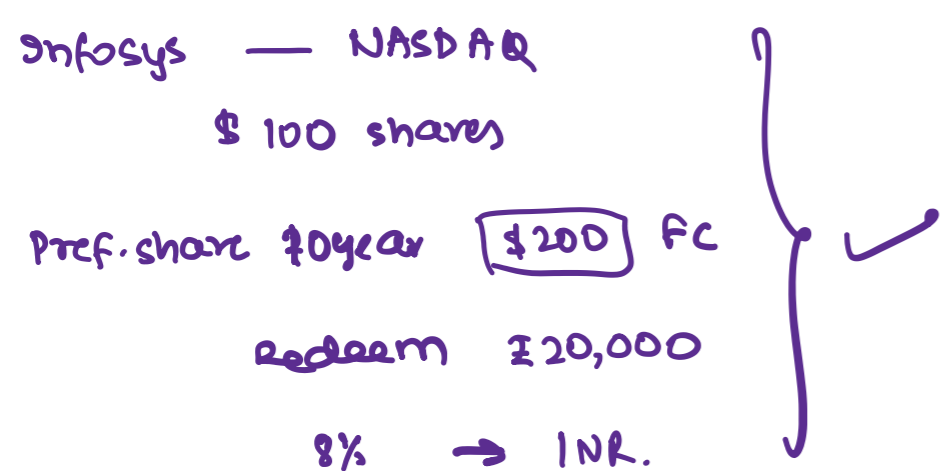
Definitions:

Authorized Person:

- Authorized dealer
- money changer (Ebitx)
- Offshore banking unit
- other authorized person u/s 10.

Foreign Securities:

- Any securities - shares, stock, bonds, debentures, etc.
- denominated in foreign currency [FC]
- It includes securities denominated in FC but redemption/rebate is payable in Indian currency.



means a transaction which alters:

- Assets, Liabilities (including contingent liabilities) **outside India** of a **PEI**
- Asset or liabilities **in** India **of a PEI** (including ~~cont~~ ~~liab.~~)

current A/C transaction means any transaction [CUAT] other than CA?

without prejudice to the generality of the foregoing, CUAT includes:

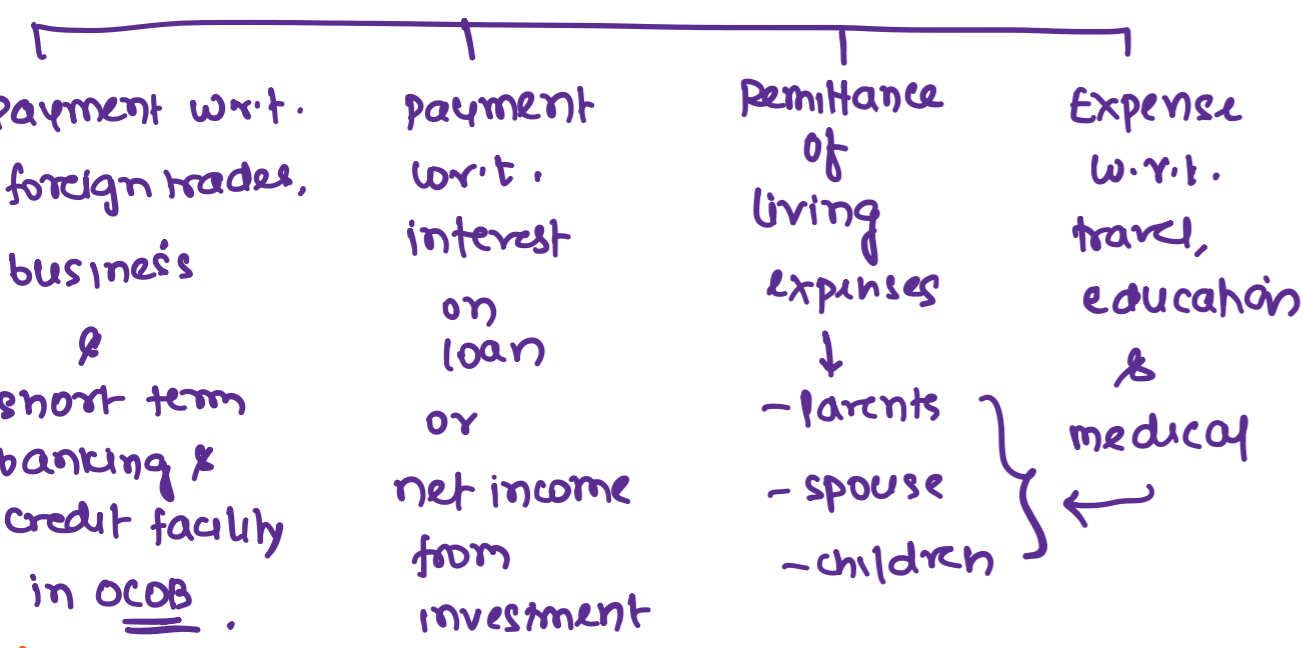
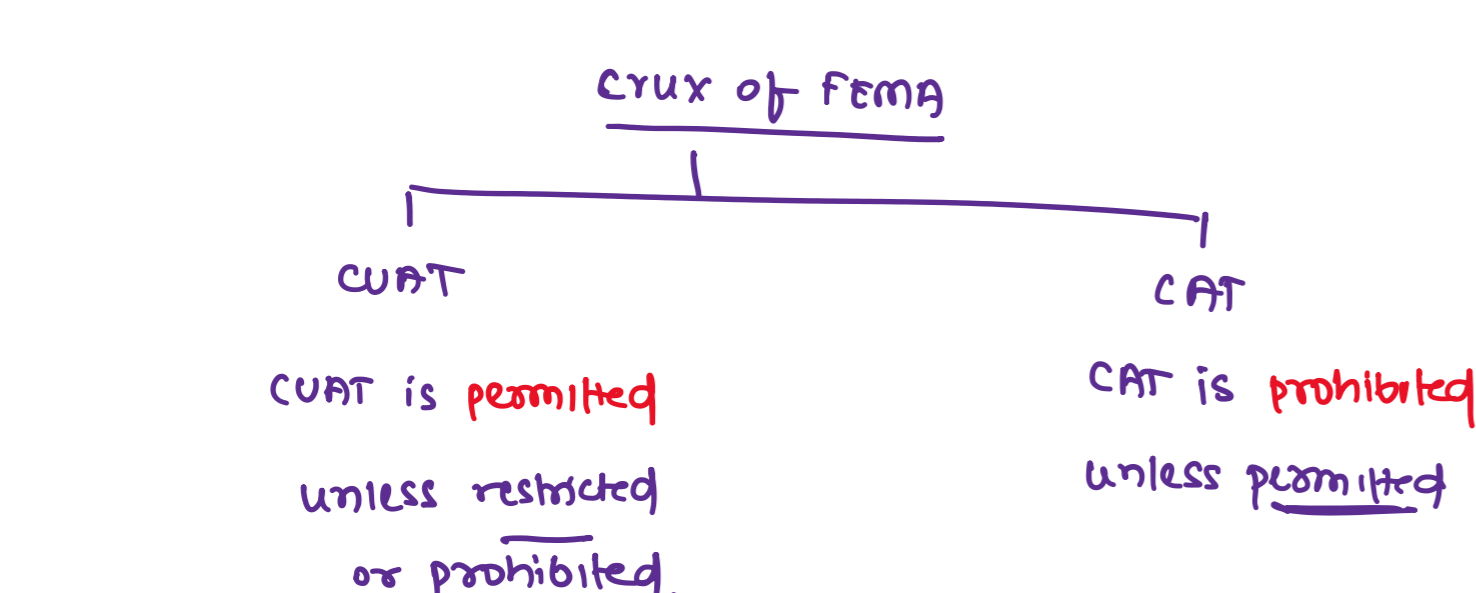
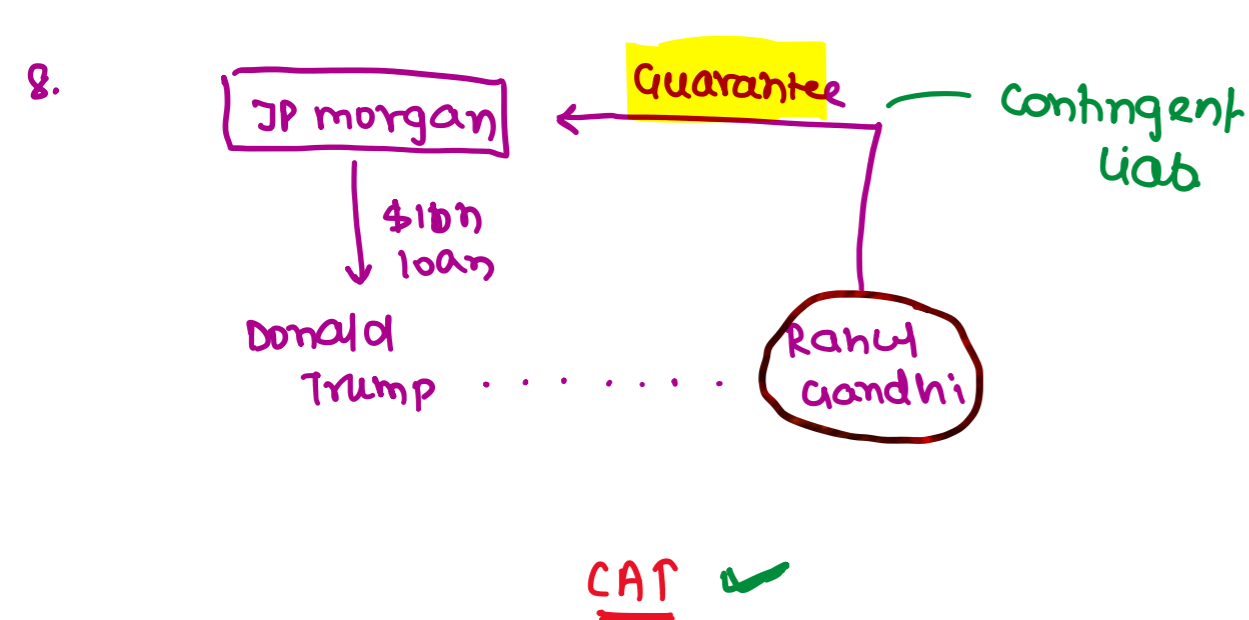
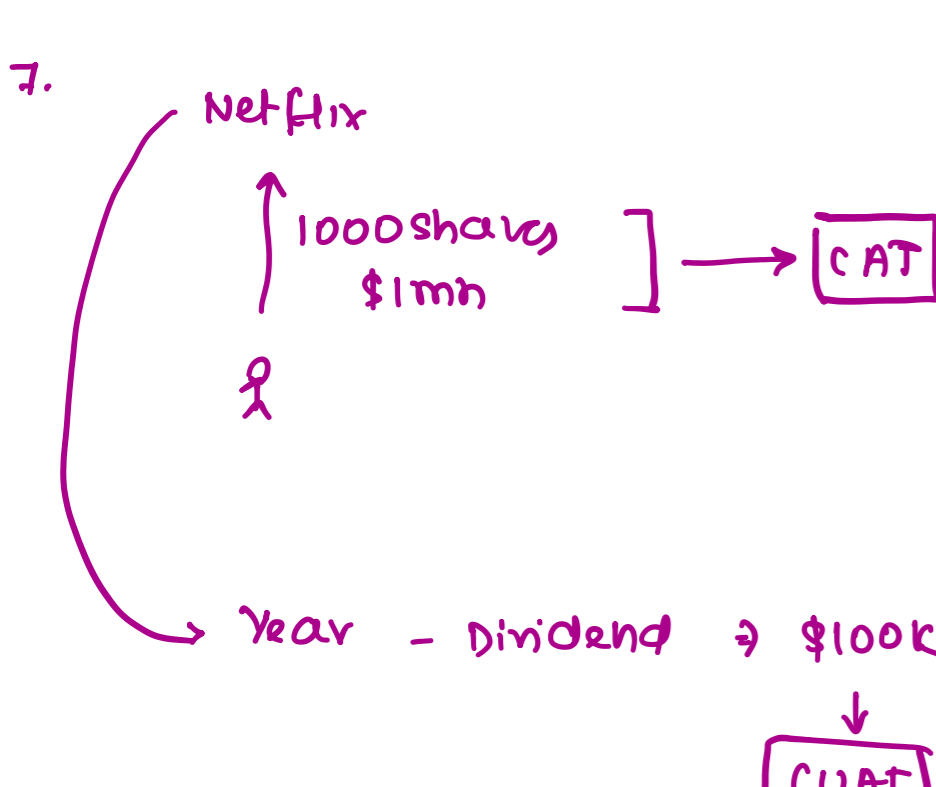
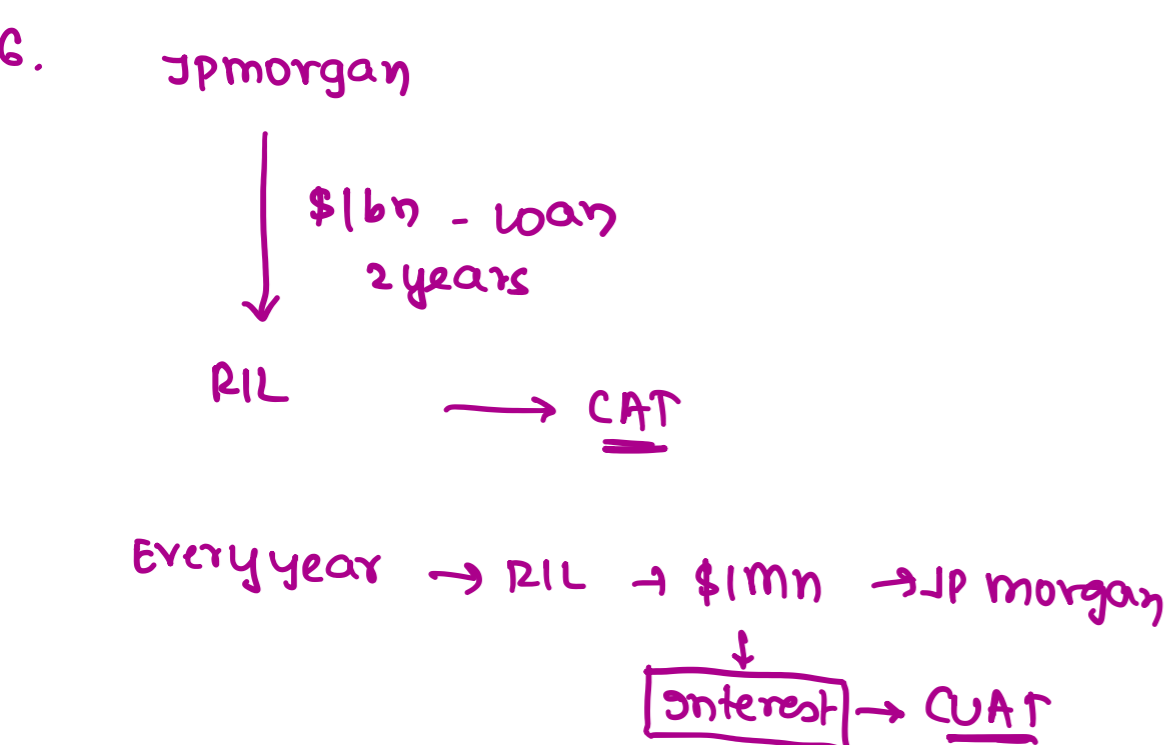


Illustration:

- UK - machine (\$1mn - cash) → Import → CUAT
- UK - machine (\$1mn) ← JP Morgan → Import → CA?
- UK - machine (\$1mn) ← JP Morgan (\$200k - 3m) → Import → CUAT (short term banking credit facility OCOB)
- Parent \$1000 → living exp. (spouse, children) → Thailand → CUAT

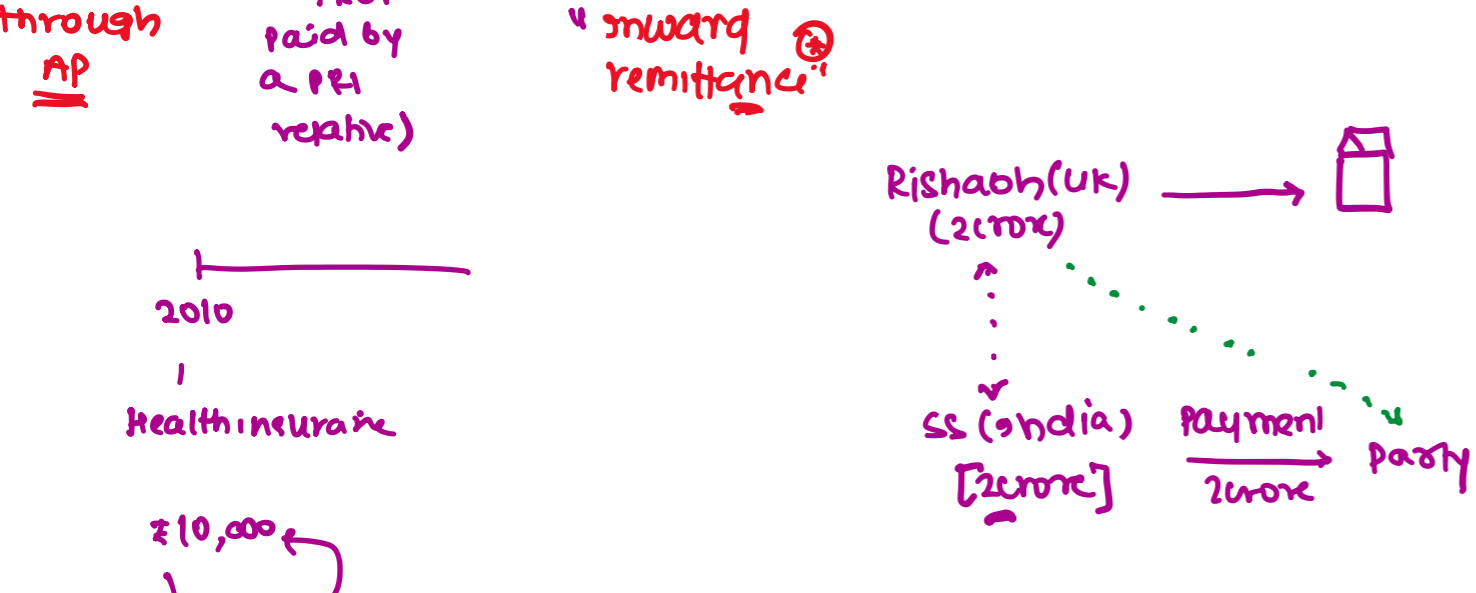
5. Gift (\$100) by a PEI to PEI → CUAT



Section 3: Dealing in forex, etc.

No person shall:

- Deal in or transfer any forex or foreign securities other than through AP
- make any payment to the credit of PEI (E.g. insurance premium of PEI paid by a PEI relative)
- Receive any payment from a PEI other than through AP
- Enter into a financial transaction in India as consideration for acquisition of assets in India



Note: Where any payment is received from PEI without inward remittance → such payment shall be deemed to be received through person other than AP.

Section 4: Holding of forex:

Except as provided in this Act:

- No PEI shall - Acquire, Hold, Own, Possess, Transfer any forex or immovable prop of India

Sat → Sunday
Test
7 day
50%

