



RBI Withdraws 732 FEMA Circulars

A.P. (DIR Series) Circular No. 18 dated June 24, 2026 (RBI/2026-27/175). The biggest housekeeping of India's foreign-exchange rulebook in 26 years. What founders and finance teams must actually do.

FEMA 1999

FDI

ODI

ECB

LRS

MASTER DIRECTIONS

A S Banka Advisors Private Limited

What Happened

On June 24, 2026, the RBI formally withdrew **732 A.P. (DIR Series) circulars** issued under FEMA, 1999 between June 2000 and 2026.

Instrument

A.P. (DIR Series) Circular No. 18, reference RBI/2026-27/175.

Why

These circulars had become inoperative through later amendments, redundancy, overlap, or supersession by newer Master Directions.

Nature

A rationalisation and simplification drive, **NOT a policy change.**

Effective

Immediate. The RBI annexed an Excel list of every withdrawn circular as the definitive reference.



The 732, By Category

Indicative groupings only -- rely on the official annex for the definitive list.

Category	Approx. Count	Current Governing Instrument
External Commercial Borrowings (ECB)	~120	Pre-2019 ECB policy, now in the ECB Master Direction
Exim Bank Lines of Credit	~110	One-time notifications of credit lines to foreign governments
Deferred Payment Protocols (erstwhile USSR)	79	Cold War-era bilateral trade, defunct for decades
Foreign Direct Investment (FDI)	60+	Sector conditions now in FDI policy and rules
AML / KYC / CFT Standards	~50	Now in consolidated AML/KYC Master Directions
NRI / PIO / FCNR / NRE Deposits	20+	Now under the Master Direction on deposits of non-residents
EEFC Accounts	20+	Subsumed into current FEMA regulations
LRS	15+	USD 250,000 limit sits in the LRS Master Direction

732

Circulars Withdrawn

Issued between June 2000 and 2026

26

Years of Rulebook

The largest FEMA housekeeping since FEMA 1999 came into force

\$250K

LRS Annual Limit

USD 250,000 per financial year -- unchanged

Does This Change My FDI / ODI / ECB Compliance?

- ✔ A withdrawal of an inoperative circular is NOT a change in the underlying rule. The substantive law and limits are untouched.

What Governs Each Area Now

All instruments below are unchanged. The withdrawal of old circulars does not alter any limit, cap, route, or reporting obligation.

- **Inbound FDI:** FEM (Non-debt Instruments) Rules, 2019 + Master Direction on Foreign Investment. Sectoral caps and entry routes unchanged.
- **Outbound / ODI:** FEM (Overseas Investment) Rules and Regulations, 2022 + Master Direction on Overseas Investment. APR still due December 31 each year, filed through Form FC.
- **ECB:** Master Direction on ECB, Trade Credits and Structured Obligations. Ceilings, end-use and all-in-cost unchanged.
- **Resident Remittances:** LRS Master Direction. USD 250,000 per financial year stands.
- **NRE / FCNR(B) Deposits:** Master Direction on deposits of non-residents. Unchanged.

FDI

FEM (Non-debt Instruments) Rules, 2019

ODI

FEM (Overseas Investment) Rules, 2022

ECB

Master Direction on ECB, Trade Credits and Structured Obligations

LRS

LRS Master Direction -- USD 250,000 limit intact

Stakeholder Impact

Three key groups need to act -- each with a distinct focus area.



CAs and Advisors

Scrub client compliance manuals and filing templates for any withdrawn circular cited by number. Replace with the surviving Master Direction.



Founders and Startups with FDI/ODI

Board-approved FEMA policies and FC-GPR / FC-TRS / Form FC playbooks should reference current rules, not dead circular numbers.



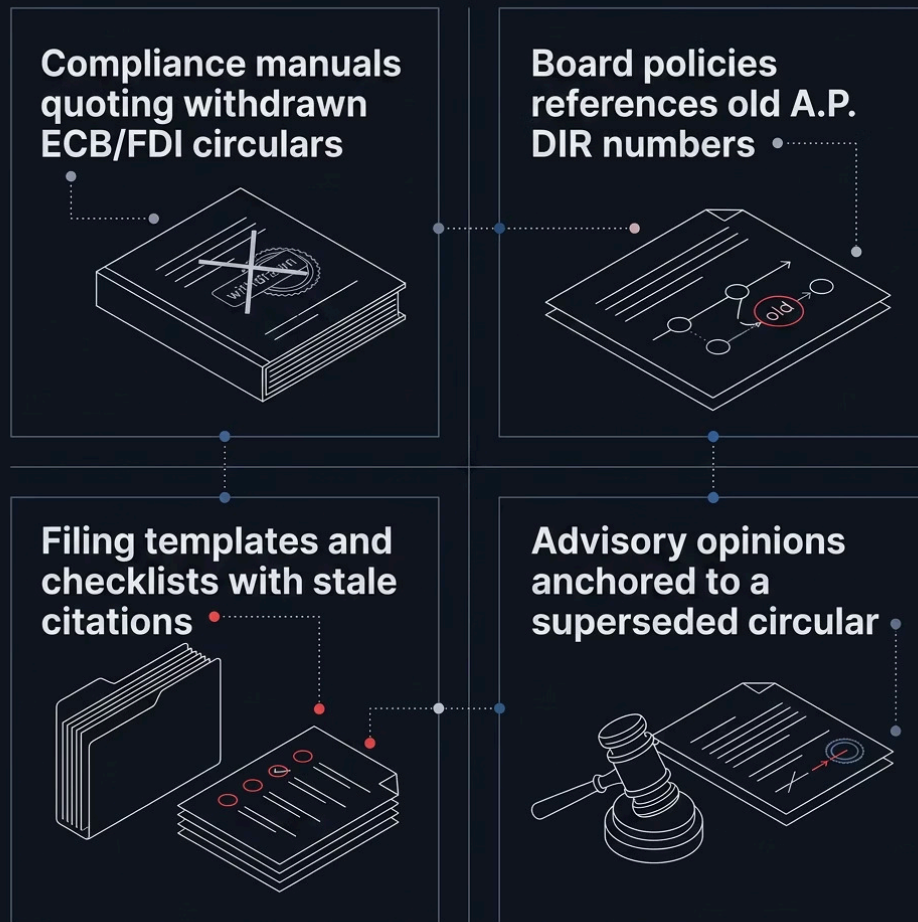
MSMEs and Corporate Groups with ECB / LRS

Lender and treasury documentation that quotes old A.P. DIR circulars now points to dead links. Refresh to the Master Direction citation.




The Real Risk: Dead Citations

Nothing in your transactions changes. The single risk is documentary: internal policies, board resolutions, SOPs and standard filing templates that still cite one of the 732 withdrawn circulars by number are now relying on dead references.



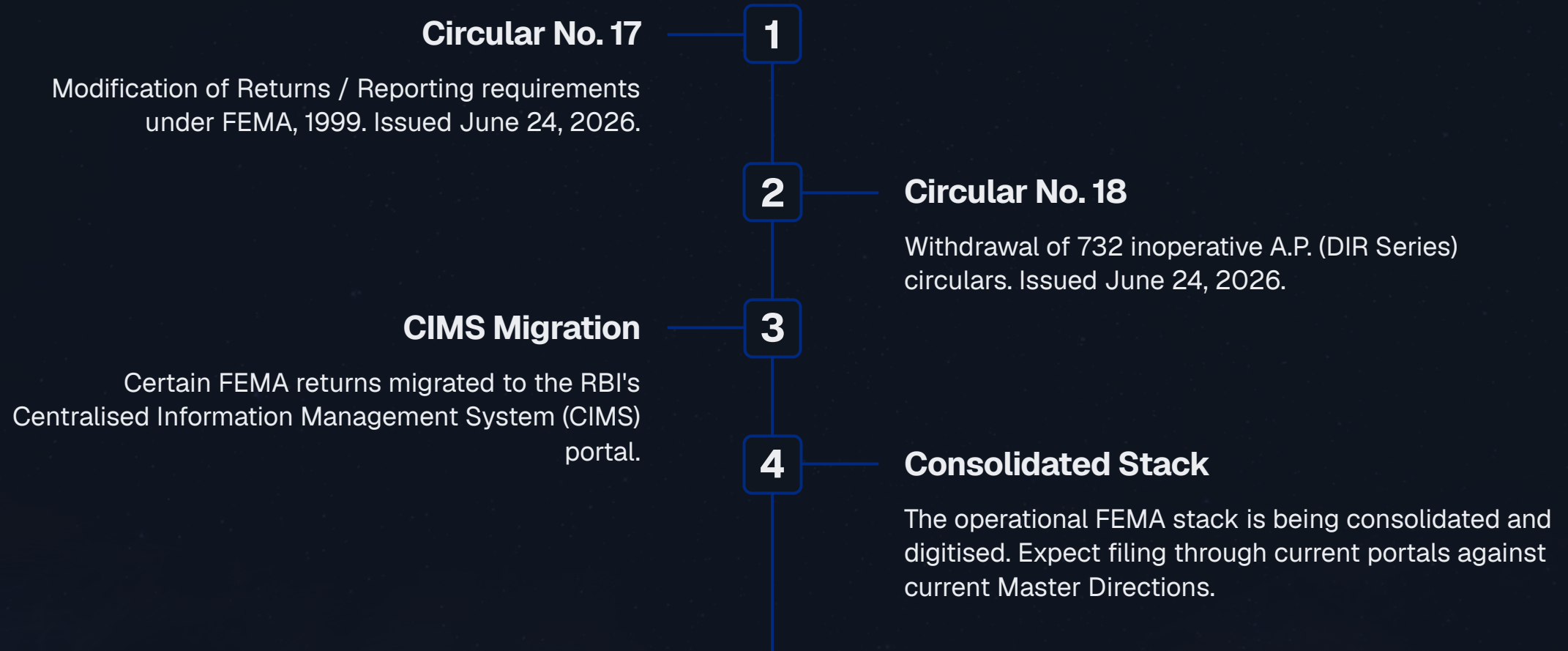
What Is at Risk

1. Compliance manuals quoting withdrawn ECB / FDI circulars
2. Board policies referencing old A.P. DIR numbers
3. Filing templates and checklists with stale citations
4. Advisory opinions anchored to a superseded circular

 Fix the paper trail, not the transaction.

The Companion Reform: Circular 17

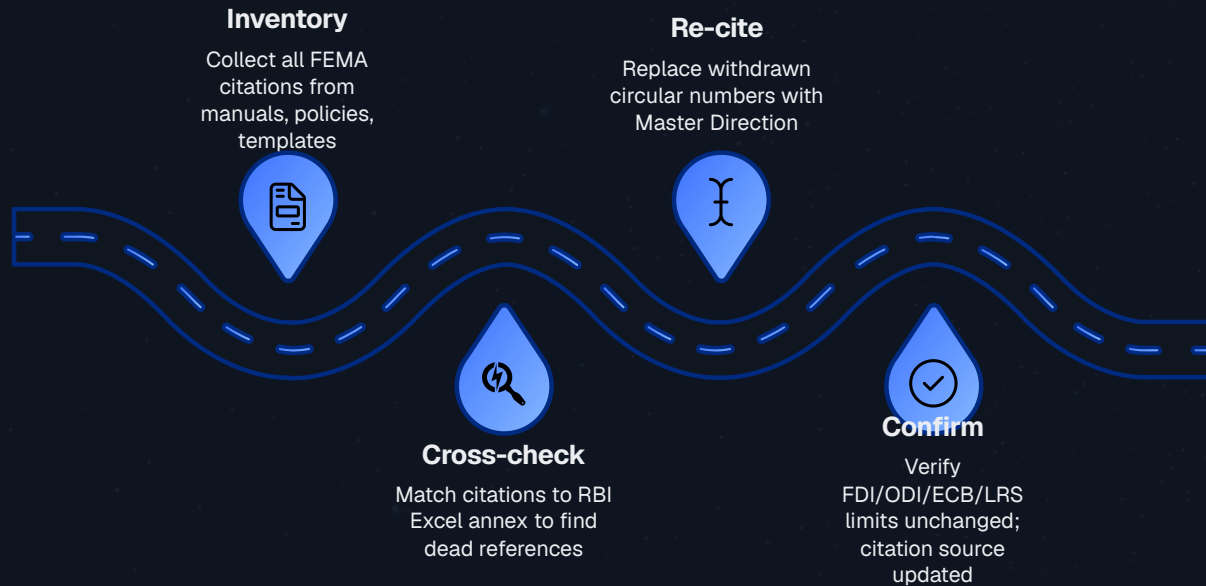
On the same day, the RBI issued **A.P. (DIR Series) Circular No. 17** dated **June 24, 2026**: "Modification of Returns / Reporting requirements under FEMA, 1999."



Read together, Circular 17 and Circular 18 represent a coordinated clean-up of both the instruction archive and the reporting machinery. The signal is clear: the operational FEMA stack is being consolidated and digitised.

Your 4-Step Action Plan

Cross-border compliance is now a Master-Direction-first world. Get the references right before your next FC-GPR, Form FC or ECB filing.



Nothing about your FDI, ODI, ECB or LRS limits changes. Only the citation source moves. Confirm your substantive positions remain intact once the paper trail is updated.



Get Expert Guidance

CA Adityavikram Banka

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