

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**CLARIFICATION REGARDING ACQUISITION AND TRANSFER OF IMMOVABLE
PROPERTY IN INDIA BY FOREIGN NATIONALS**

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It has come to notice of the Central Government that foreign nationals are buying immovable property illegally in some parts of the country. Many organizations 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 day 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.

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 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. 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 Manage (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.

Further, person acquiring immovable property have to fulfill the requirements, if any, prescribed by the State authorities.

In view of the above, all, including the authorities concerned in the State Governments, are hereby advised to be extra vigilant in such matters and satisfy themselves about the eligibility under FEMA before registering 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.

Where appropriate, the authorities may consider reviewing registration of sale/purchase already made to determine their compliance with legal requirements.

In the event of any doubts, Department of Economic Affairs in Ministry of Finance may be consulted for clarification.
