

**RESERVE BANK OF INDIA
(FOREIGN EXCHANGE DEPARTMENT)
CENTRAL OFFICE
MUMBAI 400 001**

No. FEMA 8(R)/2026-RB

January 6, 2026

Foreign Exchange Management (Guarantees) Regulations, 2026

In exercise of the powers conferred by sub-section (2) of Section 6 and sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), and in supersession of [Notification No. FEMA 8/2000-RB dated May 3, 2000](#), except as respects things done or omitted to be done before such supersession, the Reserve Bank of India makes the following regulations namely:

1. Short title and Commencement.- (1) These regulations may be called the Foreign Exchange Management (Guarantees) Regulations, 2026.

(2) They shall come into force from the date of their publication in the [Official Gazette](#).

2. Definitions.- (1) In these regulations, unless the context otherwise requires,-

(a) “Act” means the Foreign Exchange Management Act, 1999 (42 of 1999);

(b) “Authorised dealer” means a person authorised as an authorised dealer under sub-section (1) of section 10 of the Act;

(c) “Creditor” means a person to whom the guarantee is given;

(d) “Guarantee” including a “counter-guarantee” means a contract, by whatever name called, to perform the promise, or discharge a debt, obligation or other liability (including a portfolio of debts, obligations or other liabilities), in case of default by the principal debtor;

(e) “International Financial Services Centre” or “IFSC” shall have the same meaning as assigned to it in clause (g) of Section 3 of the International Financial Services Centres Authority, 2019 (50 of 2019);

(f) “Principal debtor” means a person in respect of whose default the guarantee is given;

(g) “Surety” means a person who gives a guarantee.

(2) The words and expressions used but not defined in these regulations shall have the same meanings respectively assigned to them in the Act or rules or regulations made thereunder.

3. Prohibition.- Save as otherwise provided in the Act or rules or regulations or directions issued under the Act or with the general or special permission of the Reserve Bank of India, no person resident in India shall, except in accordance with these regulations, be a party (principal debtor,

surety or a creditor) to a guarantee where any of the other parties to the guarantee is a person resident outside India.

4. Exemptions.- Nothing contained in these Regulations shall apply to the following:

- (a) a guarantee undertaken by a branch of an authorised dealer bank outside India or in an IFSC, unless any of the other parties to the guarantee is a person resident in India.
- (b) an Irrevocable Payment Commitment (IPC) issued by an authorised dealer in its capacity of a custodian bank, where the principal debtor is a registered Foreign Portfolio Investor and the creditor is an authorised central counterparty in India.
- (c) a guarantee given in accordance with the [Foreign Exchange Management \(Overseas Investment\) Regulations, 2022](#).

5. Permission to act as a surety or a principal debtor.- A person resident in India may act as a surety or a principal debtor for a guarantee, subject to conditions that –

- (a) the underlying transaction for which the guarantee is being given or arranged is not prohibited under the Act or rules or regulations or directions issued under the Act; and
- (b) the surety and the principal debtor are eligible to lend to and borrow from each other, respectively, under the [Foreign Exchange Management \(Borrowing and Lending\) Regulations, 2018](#), as amended from time to time:

Provided that clause (b) shall not apply to a guarantee –

- (i) given by an authorised dealer bank and covered by a counter-guarantee or issued against 100% collateral in the form of a deposit, from a person resident outside India; or
- (ii) given by an agent in India of a shipping or airline company incorporated outside India on behalf of such company in connection with its obligation or liability owed to any statutory or Government authority in India; or
- (iii) where both the surety and the principal debtor are persons resident in India.

6. Permission to obtain a guarantee as a creditor.- A person resident in India being a creditor may arrange or obtain a guarantee in its favour, subject to the condition that where the principal debtor and surety both are persons resident outside India, the creditor shall ensure that the underlying transaction is not prohibited under the Act, or rules or regulations or directions issued under the Act.

7. Reporting requirements.- (1) Guarantees covered under these regulations shall be reported

—

- (a) by the surety where he is a person resident in India; or
- (b) by the principal debtor who has arranged the guarantee and where the surety is a person resident outside India; or
- (c) by the creditor where the surety and the principal debtor both are persons resident outside India or where the creditor has arranged the guarantee.

(2) The person having the obligation to report the guarantee shall report, (a) issuance of guarantee, (b) any subsequent change in guarantee terms, namely - guarantee amount, extension of period or pre-closure, and (c) invocation of guarantee, if any, in the format provided at [Annex](#) to these regulations.

(3) Reporting, as provided in sub-regulations (1) and (2), shall be made to an authorised dealer bank on a quarterly basis within fifteen calendar days from the end of the respective quarter for onward submission to the Reserve Bank of India.

(4) An authorised dealer bank shall submit the returns received under this regulation to the Reserve Bank of India in the manner and format advised for this purpose within thirty calendar days from the end of the respective quarter.

8. Late Submission Fee for delayed reporting.- (1) A person resident in India who does not meet its reporting obligations, as specified under sub-regulation (3) of regulation 7, may do such reporting along with Late Submission Fee or make payment of Late Submission Fee where such reporting has been done with a delay.

(2) The Late Submission Fee shall be $\text{₹}7500 + 0.025\% \times A \times n$, rounded upwards to the nearest hundred, where,

- (a) “n” is the number of years of delay in submission, rounded-upwards to the nearest month and expressed up to 2 decimal points; and
- (b) “A” is the amount involved in the delayed reporting in INR.

(Dr. Aditya Gaiha)
Chief General Manager-in-Charge

Form – GRN
(See regulation 7)

(For the quarter ended March/June/September/December of the calendar year _____)

Part A: Details of the reporting party

1.	Name *	
2.	PAN *	
3.	LEI	
4.	CIN	

Part B: Reporting of guarantees issued (Fill separate Part B for each guarantee)

5.	Details of the Surety	
i.	Name *	
ii.	PAN	
iii.	LEI	
iv.	CIN	
v.	Residential status *	resident /non-resident
vi.	Relationship between surety and the principal debtor *	a. Parent of the principal debtor b. Group entity of the principal debtor c. Surety not related and a bank. d. Surety is not related and is any other financial institution e. Others. (please specify)_____
vii.	Major activity *	NIC code:
6.	Details of the Principal debtor	
i.	Name *	
ii.	PAN	
iii.	LEI	
iv.	CIN	
v.	Residential status *	resident /non-resident
vi.	Major activity *	NIC code:
7.	Details of the creditor	
i.	Name *	
ii.	PAN	
iii.	LEI	
iv.	CIN	
v.	Residential status *	resident /non-resident
vi.	Category of creditor *	a. Bank b. Other financial institution c. Parent of the principal debtor d. Group entity of the principal debtor e. Others. (please specify)_____
vii.	Major activity *	NIC code:
8.	Details of Guarantee	
i.	Type of guarantee *	a. Financial b. Other

ii.	Underlying transaction between principal debtor and creditor *	
iii.	Guarantee Amount *	Currency: Amount:
iv.	Issue date *	__ / __ / __ (dd/mm/yyyy)
v.	Validity date *	__ / __ / __ (dd/mm/yyyy)
vi.	Guarantee Commission (as per the agreement) *	Currency: Amount:
vii.	Where the surety is an AD bank, details of counter guarantee or collateral deposit taken, if any.	Name of the counter guarantor/ depositor: Residential status: Resident/ Non-resident Currency of guarantee/ deposit: Amount of guarantee/ deposit:

Part C: Details of modification/pre-closure (One Part C per guarantee modified)

9.	Previously reported guarantee transaction number *	
10.	Whether amount changed? If yes, provide new amount	
11.	Whether validity period extended? If yes, provide new validity date	
12.	Whether pre-closed? If yes, provide the date of closure.	

Part D: Details of invocation (One Part D per guarantee invocation)

13.	Previously reported guarantee transaction number *	
14.	Date of invocation *	__ / __ / __ (dd/mm/yyyy)
15.	Amount of liability created towards the surety on invocation and honouring of the guarantee *	Currency: Amount:
16.	Invocation honoured *	a. Yes, Partially b. Yes, Completely c. No
17.	Date of payment	__ / __ / __ (dd/mm/yyyy)
18.	Amount of payment	Currency: Amount:
19.	Agreed period for extinguishing the resultant liability towards the surety (from the date of invocation of the guarantee)	a) Less than 1 year b) More than or equal to 1 year but less than 3 years c) More than or equal to 3 years

Signature of the authorised official of the reporting party		<u>Stamp/ seal</u>
Name & designation of the Authorised Official		

Place		Date		
Telephone No.		Email		
List of enclosures				

Instructions for filling up the form

- 1) *The form is required to be submitted to the authorised dealer bank by the person resident in India with the reporting obligation under regulation 7 of these regulations.*
- 2) *Part A and B shall be submitted for issuance of guarantee. Any subsequent change or invocation of guarantee shall be reported by filling Part A and Part C or D, as the case may be. For any given part, fields marked with asterisk (*) are mandatory. All other fields such as LEI, CIN, PAN of parties other than reporting party, shall be filled wherever details are available. NIC Code shall be reported till 2-digit as per NIC 2025.*
- 3) *In case of more than one surety/ principal debtor/ creditor to the same guarantee, any of them can be designated to report that guarantee.*
- 4) *Any change in guarantee conditions of the guarantee reported in the previous period or its closure shall be reported along with the transaction number. Change of guarantees issued prior to coming into effect of these regulations shall be reported as fresh issuance of guarantee from the date of modification.*
- 5) *In case the guarantee is issued and modified within the same reporting period, it shall be reported as two separate guarantees with the first guarantee deemed to have ended one day prior to the effective date of modification and second guarantee deemed to have started on the effective date of modification. In case the guarantee is issued and closed within the same reporting period, the original guarantee shall be reported in Part B with validity date as the date of closure.*
- 6) *Reserve Bank of India reserves the right to put the information furnished here in the public domain.*