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Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion
SIA (FC Division)

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PRESS NOTE NO. 10 (2000 SERIES)

Subject : *Review of existing sectoral policy and sectoral equity cap for Foreign Direct Investment (FDI) and investment by Non Resident Indians (NRI) / Overseas Corporate Bodies (OCB).*

In pursuance of Government's commitment to liberalise the FDI regime, on review of the policy on FDI, it has been decided that foreign equity participation upto 26% in the Insurance sector, as prescribed in the Insurance Act, 1999, will be allowed under the automatic route.

Companies bringing in FDI shall, however, be required to obtain necessary licence from the Insurance Regulatory & Development Authority for undertaking insurance activities.

Sd/-

(M.S. SRINIVASAN)

Joint Secretary to the Government of India

No. 7(4)/2000-IP dated 19th October 2000