

**Government of India**  
**Ministry of Commerce & Industry**  
**Department of Industrial Policy & Promotion**

**Press Note No. 6 (2016 Series)**

Subject: Foreign Direct Investment (FDI) Policy on Other Financial Services

The Government has liberalized its FDI policy on Other Financial Services and Non-Banking Finance Companies (NBFCs). Accordingly, amended policy provisions are mentioned below.

2.0 Para 5.2.26, of Consolidated FDI Policy Circular of 2016, on 'Non-Banking Finance Companies' is replaced with the following paragraph:

Sector/Activity	% of Equity/ FDI Cap	Entry Route
<b>Other Financial Services</b>		
Financial Services activities regulated by financial sector regulators, viz., RBI, SEBI, IRDA, PFRDA, NHB or any other financial sector regulator as may be notified by the Government of India.	100%	Automatic
<b>Other Conditions</b>		
i. Foreign investment in 'Other Financial Services' activities shall be subject to conditionalities, including minimum capitalization norms, as specified by the concerned Regulator/Government Agency.		
ii. 'Other Financial Services' activities need to be regulated by one of the Financial Sector Regulators. In all such financial services activity which are not regulated by any Financial Sector Regulator or where only part of the financial services activity is regulated or where there is doubt regarding the regulatory oversight, foreign investment up to 100% will be allowed under Government approval route subject to conditions including minimum capitalization requirement, as may be decided by the Government.		
iii. Any activity which is specifically regulated by an Act, the foreign investment limits will be restricted to those levels/limit that may be specified in that Act, if so mentioned.		
iv. Downstream investments by any of these entities engaged in "Other Financial Services" will be subject to the extant sectoral regulations and provisions of Foreign Exchange		

Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, as amended from time to time

3.0 The above decision will take immediate effect.



(Atul Chaturvedi)

**Joint Secretary to the Government of India**

D/o IPP File No.: No. 9/4/2016-FC.I dated: 25<sup>th</sup> October, 2016

**Copy forwarded to:**

1. **Press Information Officer, Press Information Bureau-** for giving wide publicity to the above Press Note.
2. **Joint Secretary(I&C), Department of Economic Affairs, North Block, New Delhi**
3. **Reserve Bank of India, Foreign Exchange Department, Mumbai**
4. **NIC Section in the Department of Industrial Policy and Promotion-** for uploading the Press Note on DIPP's website.
5. **Hindi Section, DIPP-** for providing Hindi version.