

## PUSH FOR EASE OF DOING BUSINESS

# Consolidated rules to bring in clarity on overseas investment

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In a bid to promote ease of doing business, the finance ministry on Monday notified the consolidated rules for overseas investment by Indian entities.

The Foreign Exchange Management (Overseas Investment) Rules, 2022 will subsume extant regulations pertaining to Overseas Investments and Acquisition and Transfer of Immovable Property Outside India Regulations, 2015.

"In view of the evolving needs of businesses in India, in an increasingly integrated global market, there is need of Indian corporates to be part of global value chain. The revised regulatory framework for overseas investment provides for simplification of the existing framework for overseas investment and has been aligned with the current business and economic dynamics," the finance ministry said in a statement.

Clarity on Overseas Direct Investment and Overseas Portfolio Investment has been brought in and

various overseas investment related transactions that were earlier under approval route are now under automatic route, significantly enhancing 'ease of doing business' it said. Last year, the government of India in consultation with the Reserve Bank undertook a comprehensive exercise to simplify these regulations.

The draft Foreign Exchange Management

Management (Overseas Investment) Rules and draft Foreign Exchange Management (Overseas Investment) Regulations were also put in the public domain for consultations, it said.

The new rules have included overseas investment in International Financial Services

Centre (IFSC) by person resident in India. A person resident in India may make overseas investment in an IFSC in India within the limits, a gazette notification issued by the finance ministry said. A person resident in India can make contribution to an investment fund or vehicle set up in an IFSC as Overseas Portfolio Investment (OPI), it said.

**The notification brings in clarity on Overseas Direct Investment and Overseas Portfolio Investment and overseas investment related transactions that were earlier under approval route are now under automatic route**