

India offers easy bank branch rules, higher FDI

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India has offered higher foreign direct investment (FDI) limits in banking and insurance and a more liberal bank branch licensing framework under the Financial Services Annex (FSA) of the India-New Zealand Free Trade Agreement (FTA). This is a calibrated but forward-looking approach to financial sector liberalisation.

Under the agreement, foreign banks will be allowed to establish up to 15 branches over a four-year period. This is a significant rise from the 12 branches permitted under India's commitments at the World Trade Organization's (WTO's) General Agreement on Trade in Services (GATS).

"India's sectoral offers represent a forward-looking liberalisation approach, featuring enhanced FDI limits in banking and insurance, alongside a liberalised bank branch licensing framework," the finance ministry said.

"The expansion in branch limits reflects India's commitment to progressive market opening in line with its broader strategic objectives," it added.

The finance ministry said the commitments would enable Indian financial service providers to expand operations in New Zealand. This would strengthen India's financial services exports and support long-term sectoral growth. At the same time, the framework is expected to position New Zealand's financial institutions competitively in India's large and rapidly expanding financial services market.

"The offers are designed to create mutual opportunities — supporting the internationalisation of Indian financial institutions while welcoming New Zealand players into India's dynamic financial services ecosystem," the finance ministry said.

India and New Zealand concluded negotiations on the FSA on December 22, with the final outcome agreed during the last round of talks held on December 10. The annex goes beyond standard commit-

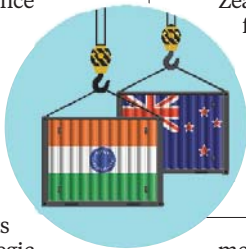
NZ to amend GI law to cover Indian goods beyond wines

New Zealand has taken a binding commitment under its FTA with India to amend its laws within 18 months of the pact's implementation to facilitate the geographical indication (GI) registration of Indian goods besides wines, and spirits in the island nation. The current GI law of New Zealand only allows India's wines and spirits to be registered.

"Commitment in place to taking all steps necessary including amendment of its law to facilitate the registration of India's wines, spirits and 'other goods', a benefit that was accorded to the EU by New

Zealand. Timelines for this are 18 months from agreement entering into force," the commerce ministry said.

PTI



ments under the WTO's GATS and comprises 18 articles covering banking, insurance, fintech, digital payments and regulatory cooperation.

A key pillar of the agreement is cooperation on electronic payments and real-time transaction infrastructure.

Both sides have agreed to collaborate on domestic payments interoperability and real-time cross-border remittances and merchant payments through integrated Fast Payment Systems. This would help leverage India's digital public infrastructure such as United Payments Interface and the National Payments Corporation of India.

The annex also includes provisions on fintech collaboration and regulatory innovation, including mutual learning from regulatory and digital sandbox frameworks and data governance safeguards to preserve regulatory oversight and consumer privacy.