

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

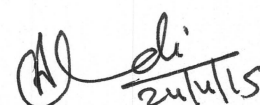
Press Note No. 4 (2015 Series)

Subject: Policy on foreign investment in the Pension Sector- addition of paragraph 6.2.17.9 of 'Consolidated FDI Policy Circular of 2014-'

In pursuance of enactment of Insurance Regulatory & Development Authority Act, 2013 Government has decided to permit Foreign Direct Investment in the Pension Sector as under:

S. No.	Sector/ Activity	% of FDI Cap/ Equity	Entry route
6.2.17.9	Pension Sector	49% {FDI+FPI (FII, QFI) +NRI+FVCI+DR}	Automatic up to 26% Government route beyond 26% and up to 49%
6.2.17.9.1	Other conditions		
	<p>(1) FDI in the Pension Funds is allowed as per the Pension Fund Regulatory and Development Authority (PFRDA) Act, 2013.</p> <p>(2) Foreign Investment in Pension Funds will be subject to the condition that entities bringing in foreign equity investment as per Section 24 of the PFRDA Act shall obtain necessary registration from the Pension Fund Regulatory and Development Authority and comply with other requirements as per the PFRDA Act, 2013 and Rules and Regulations framed under it for so participating in Pension Fund Management activities in India.</p> <p>(3) Wherever such foreign equity investment involves control or ownership by the foreign investor or, transfer of control or ownership of an existing pension fund from resident Indian citizens and/ or Indian companies owned and controlled by resident Indian citizens to such foreign investing entities as a consequence of the investment, including through transfer of shares and or fresh issue of shares to Non-Resident entities through acquisition, amalgamation, merger etc., it would require FIPB approval in consultation with the Department of Financial Services, PFRDA and other entities concerned and the onus of compliance to these conditions will be on investee Indian pension fund company. The meaning of ownership and control would be as per the Foreign Direct Investment policy.</p>		

2.0 The above decision will take immediate effect.


(Atul Chaturvedi)

Joint Secretary to the Government of India

D/o IPP File No.: No. 5/6/2014-FC.I dated: 24.04.2015

Copy forwarded to:

1. **Press Information Officer, Press Information Bureau-** for giving necessary 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 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.

For suitably incorporating the policy changes in Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 and the relevant schedules thereof.