Subject: Review of Foreign Direct Investment (FDI) policy on Pension Sector.

The Government of India has liberalized its Foreign Direct Investment (FDI) policy on Pension sector. Accordingly, Paragraph 6.2.18.7 bis. of ‘Consolidated FDI Policy Circular 2015’, effective from 12.5.2015, is amended to read as below:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Sector/Activity</th>
<th>% of Equity/FDI Cap</th>
<th>Entry Route</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2.18.7 bis.</td>
<td>Pension Sector</td>
<td>49%</td>
<td>Automatic</td>
</tr>
<tr>
<td>6.2.18.7.1</td>
<td>Other Conditions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(i) Foreign investment in the Pension Funds is allowed as per the Pension Fund Regulatory and Development Authority (PFRDA) Act, 2013.

(ii) 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 PFRDA 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.

(iii) 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 Government 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.

2.0 The above decision will take immediate effect.

[Signature]

Joint Secretary to the Government of India

D/o IPP File No.: No. 5/6/2014-FC.I dated: 23.03.2016
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1. **Press Information Officer, Press Information Bureau**- for giving wide publicity to the above Press Note.

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3. **Reserve Bank of India, Foreign Exchange Department, Mumbai**

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