



RESERVE BANK OF INDIA
Mumbai - 400 001

RBI/2015-16/350

A.P. (DIR Series) Circular No.58

March 31, 2016

To

All Authorised Dealer Category – I Banks

Madam/Sir,

Foreign Direct Investment (FDI) in India – Review of FDI policy –Insurance sector

Attention of Authorised Dealer Category - I (AD Category-I) banks is invited to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, notified by the Reserve Bank vide [Notification No. FEMA 20/2000-RB dated 3rd May 2000](#), as amended from time to time.

2. The extant FDI policy for Insurance sector has since been reviewed by the Government of India and accordingly it has been decided to enhance the limit of foreign investment in insurance sector from 26 to 49 percent under the automatic route subject to certain terms and conditions which have been notified through [Notification No. FEMA. 366/2016-RB dated March 30, 2016](#)

3. Authorised Dealer banks may bring the contents of this circular to the notice of their constituents and customers concerned.

4. The directions contained in this circular have been issued under section 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(Shekhar Bhatnagar)
Chief General Manager-in- Charge