

MOST IMMEDIATE

F.No. 01/01/FC/2017-FIPB
Government of India/ भारत सरकार
Ministry of Finance/ वित्त मंत्रालय
Department of Economic Affairs/ आर्थिक कार्य विभाग
FIPB Section/ एफ.आइ.पी.बी. अनुभाग

North Block, New Delhi – 110001
Dated the 5th June, 2017

OFFICE MEMORANDUM

Subject: Abolition of the Foreign Investment Promotion Board (FIPB) – regarding.

The proposal for abolition of the Foreign Investment Promotion Board (FIPB) has been approved by the Government.

2. The proposal, as approved by the Government, envisages the following:

2.1 Subsequent to the abolition of the FIPB, the work of granting government approval for foreign investment under the extant FDI Policy and FEMA Regulations, shall be entrusted to the concerned Administrative Ministries/Departments. The eleven notified sectors/activities requiring government approval with the concerned Administrative Ministry/ Department are listed below:

Sl. No.	Sector/Activity	Administrative Ministry/Department
1.	Mining	Ministry of Mines
2.	Defence	Department of Defence Production, Ministry of Defence
2A.	Cases relating to FDI in small arms	Ministry of Home Affairs
3.	Broadcasting	Ministry of Information and Broadcasting

4.	Print Media	Ministry of Information and Broadcasting
5.	Civil Aviation	Ministry of Civil Aviation
6.	Satellites	Department of Space
7.	Telecom	Department of Telecommunications, Ministry of Communications
8.	Private Security Agencies	Ministry of Home Affairs
9.	Trading (Single & multi brand and food products retail trading)	Department of Industrial Policy & Promotion, Ministry of Commerce & Industry
10A.	Financial Services not regulated by a regulator or where there is more than one regulator or in respect of which there is a doubt about the regulator <i>(As per FDI Policy)</i>	Department of Economic Affairs, Ministry of Finance
10B.	Banking (Public and Private) <i>(as per FDI Policy)</i>	Department of Financial Services, Ministry of Finance
11.	Pharmaceuticals	Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers

2.2. FDI proposals by Non Resident Indians (NRI)/ Export Oriented Unit's (EOU's) requiring approval of the Government will be dealt with by DIPP and the DIPP will continue to be the administrative ministry for this purpose.

2.3. Applications relating to issue of equity shares under the FDI policy under the Government route for import of capital goods/ machinery/ equipment (excluding second-hand machinery) shall be handled by the DIPP.

2.4. Applications relating to issue of equity shares for pre-operative/pre-incorporation expenses (including payments of rent etc.) shall be processed by the DIPP.

2.5. Applications involving investments from *Countries of Concern*, requiring security clearance as per the extant FEMA 20, FDI Policy and security guidelines, amended from time to time, shall be processed by the Ministry of Home Affairs. It is further clarified that only such investments falling under automatic route sectors/activities requiring security clearance may be processed by Ministry of Home Affairs itself while cases pertaining to other approval route sectors/activities requiring security clearance may be processed by the nodal Administrative Ministries/Departments in consultation with the Ministry of Home Affairs, as the case may be.

2.6. Applications for foreign investment into a Core Investment Company or an Indian company engaged only in the activity of investing in the capital of other Indian Company/ies shall be processed by the Department of Economic Affairs, Ministry of Finance irrespective of the sector in which the investment is being made.

2.7. In respect of the applications in which there is a doubt about the Administrative Ministry concerned, the DIPP shall identify the Administrative Ministry/Department where the application will be processed.

2.8. The applications requiring approval of the Government shall continue to be received by the existing FIPB portal, the oversight of which shall be transferred to the DIPP from the DEA within four weeks.

2.9. Upon receipt of the FDI application, the concerned administrative Ministry/Department shall process the said application. Towards that end, a Standard Operating Procedure (SOP) with detailed guidelines shall be developed and laid down by the DIPP in consultation with Administrative Ministries/Departments/sector regulators so as to guide the Administrative Ministries/Departments for processing of the FDI proposals and ensure a consistency of treatment and uniformity of approach across sectors. The SOP shall involve the process of Inter-Ministerial consultations for the examination of FDI proposals, where necessary. The SOP will