



Amendment in foreign investment rules

The Ministry of Finance (**MoF**) has, by way of notification dated 27 July 2020 (**Notification**), notified amendments in the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (**Non-debt Rules**). As per the Notification:

- (a) Non-debt Rules shall be administered by the Reserve Bank of India (**RBI**);
- (b) RBI may interpret and issue necessary directions, circulars, instructions, or clarifications, for effective implementation of the Non-debt Rules; and
- (c) Non-residents Indians (being Indian Nationals) can now acquire upto 100% ownership in Air India Limited (**AIL**).

Earlier, in order to encourage the non-resident Indians to invest in civil aviation sector and to attract more bidders for AIL, the Department for Promotion of Industrial Policy and Internal Trade had, vide Press Note 2 of 2020 dated 19 March 2020 (**PN2**), amended the foreign direct policy (**FDI**) policy to, inter alia, permit FDI by non-residents Indians (being Indian Nationals) in AIL upto 100% under automatic route.

The Notification has now amended the FDI norms for civil aviation sector to give effect to the provisions of PN 2.

Please [click here](#) to access the notification dated 27 July 2020.

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