

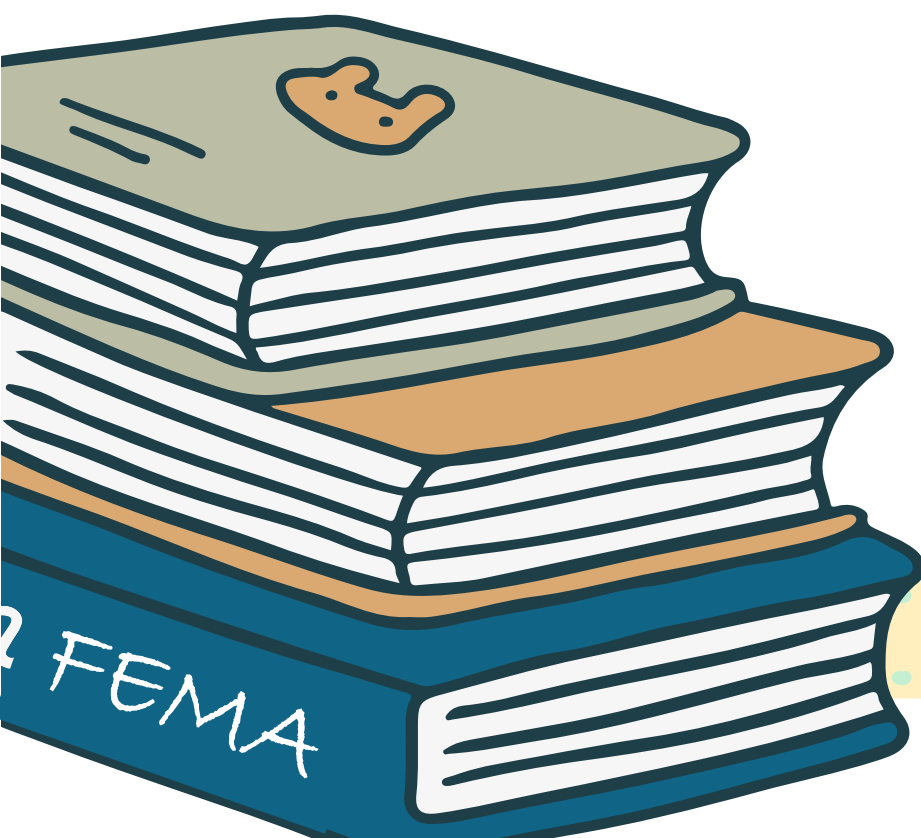
FEMA Ke Fundae

#FamiliarwithFEMA

Overseas Investment
by Person Resident in
India other than Indian
entity and Resident
- - - Individual - - -

Date: 06/11/2024

Issue no: 125



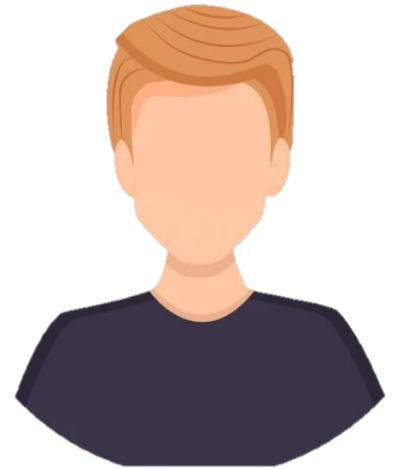


Sanjay

Hello Mr. FEMA Gyani, I'm looking to understand the overseas investment options available for residents in India. Can you help me with that?

Hello Sanjay!

Of course! There are specific rules under the Overseas Investment (OI) framework. Are you asking about investments for individuals or entities?



The FEMA Gyani

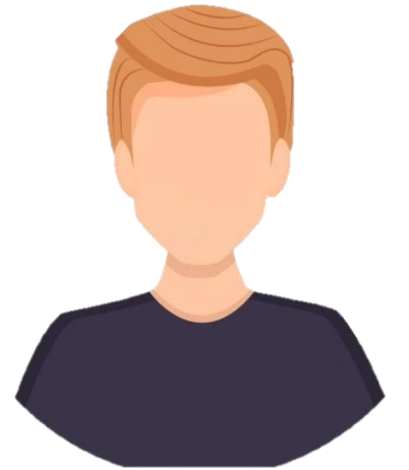
I'm specifically interested in Sole proprietorship investments, but I've heard that there are different types of entities involved too. Can you explain that?



Sanjay



Sure! So, any sole proprietorship or unregistered firms, by a proprietor concern or the individual partners, can make overseas investments under LRS limits. If want invest more than LRS Limit then Government approval is required.



The FEMA Gyani

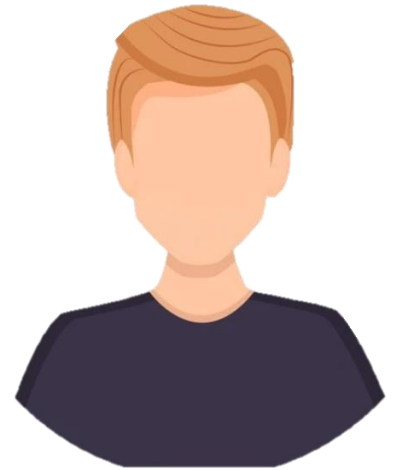
Got it! What about mutual funds or venture capital funds? Can they invest overseas as well?



Sanjay



Yes, they can! Registered Mutual Funds and Venture Capital Funds can invest overseas, but they need to follow the guidelines set by SEBI. For instance, MFs can invest up to \$7 billion and VCFs/Alternative Investment Funds can invest up to \$1.5 billion in foreign securities.



The FEMA Gyani

That sounds interesting! Are there any additional options for these funds, like investing in ETFs?



Sanjay



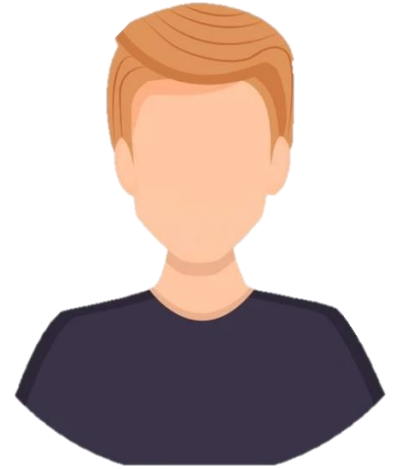
Absolutely! A limited number of qualified mutual funds can invest up to \$1 billion cumulatively in overseas Exchange Traded Funds, as permitted by SEBI. This investment is considered overseas portfolio investment, regardless of whether the securities are listed.



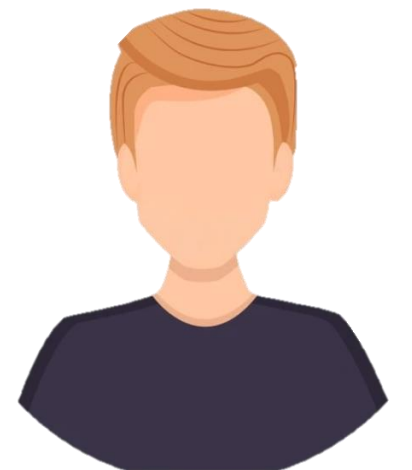
Sanjay

What about banks? Can they invest overseas too?

Yes, banks can acquire or transfer foreign securities as part of their normal banking operations. The OI rules don't apply to those transactions. Additionally, banks can invest in organizations like SWIFT, provided they meet specific regulatory requirements.



The FEMA Gyani



The FEMA Gyani

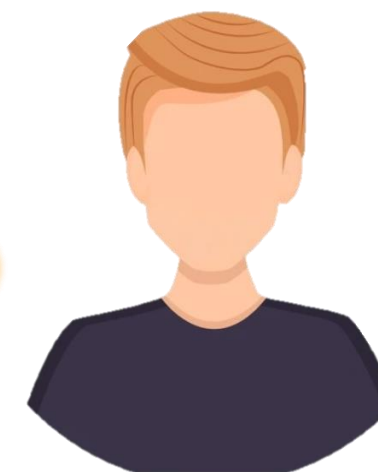




Sanjay

That's very insightful! What if I were part of a registered trust or society?
Are there options for them?

Yes, registered trusts and societies can also make overseas investments, but they need to follow the approval route according to the OI rules.



The FEMA Gyani

Thanks for breaking that down! This is really helpful for understanding my investment options.



Sanjay

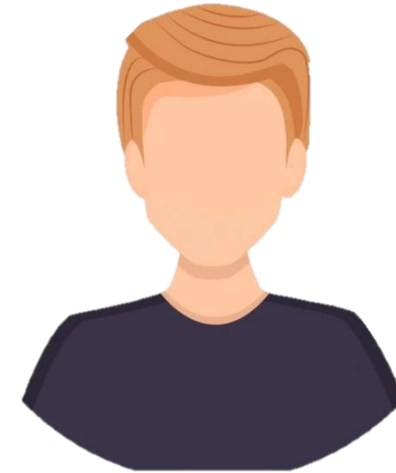
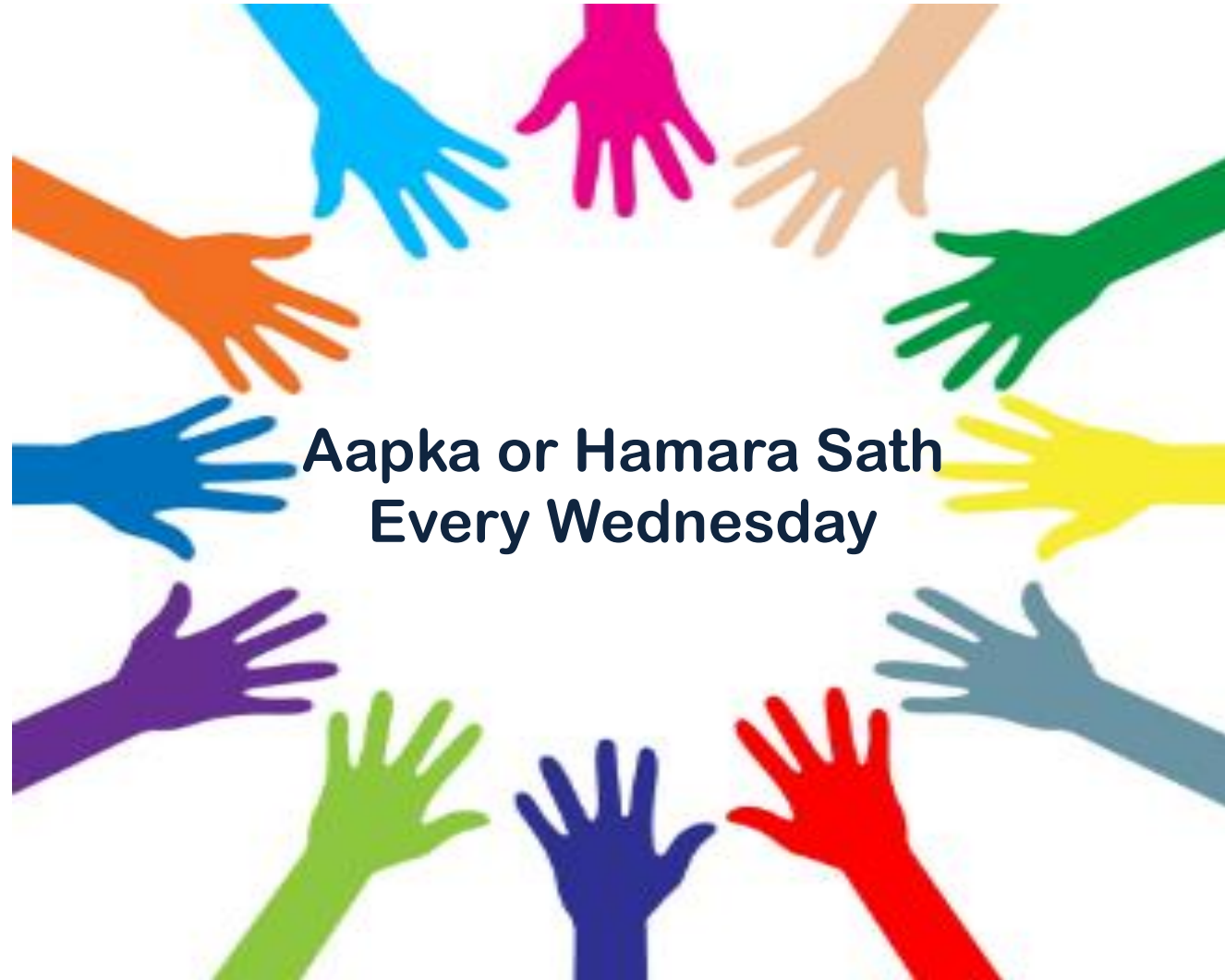
You're welcome! If you have more questions, feel free to ask!



The FEMA Gyani



Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



<https://in.linkedin.com/company/jscoca>

<https://jainshrimal.com/>



International Tax Gyan   
WhatsApp group



Disclaimer

- ❑ This presentation has been prepared on the basis of information available in the public domain and is intended for guidance purposes only.
- ❑ Jain Shrimal & Co. has taken reasonable care to ensure that the information in this presentation is accurate. It however accepts no legal responsibility for any consequential incidents that may arise from errors or omissions contained in this presentation.
- ❑ This presentation is based on the information available with us at the time of preparing the same, all of which are subject to changes which may, directly or indirectly impact the information and statements given in this presentation.
- ❑ Neither Jain Shrimal & co., nor any person associated with us will be responsible for any loss however sustained by any person or entity who relies on this presentation. Interested parties are strongly advised to examine their precise requirements for themselves, form their own judgments and seek appropriate professional advice.