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Reserve Bank of India vide notification dated August 22, 2022, has issued Foreign Exchange Management (Overseas Investment) Directions, 2022

- RBI vide notification dated August 22, 2022, has issued Foreign Exchange Management (Overseas Investment) Directions, 2022.
- In keeping with the spirit of liberalisation and to promote ease of doing business, the Central Government and the Reserve Bank of India have been progressively simplifying the procedures and rationalising the rules and regulations under the Foreign Exchange Management Act, 1999. The new regime simplifies the existing framework for overseas investment by persons resident in India to cover wider economic activity and significantly reduces the need for seeking specific approvals. This will reduce the compliance burden and associated compliance costs.
- Some of the significant changes brought about through the new rules and regulations are summarised below:
 1. enhanced clarity with respect to various definitions;
 2. introduction of the concept of “strategic sector”;
 3. dispensing with the requirement of approval for:
 - i. deferred payment of consideration;
 - ii. investment/disinvestment by persons resident in India under investigation by any investigative agency/regulatory body;
 - iii. issuance of corporate guarantees to or on behalf of second or subsequent level step down subsidiary (SDS);



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- iv. write-off on account of disinvestment;
 - 4. introduction of "Late Submission Fee (LSF)" for reporting delays.
- The notification is herein attached.

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Reserve Bank of India vide notification dated August 22, 2022, has issued Foreign Exchange Management (Overseas Investment) Regulations, 2022

- RBI vide notification dated August 22, 2022, has issued Foreign Exchange Management (Overseas Investment) Regulations, 2022.
- The Indian entity may lend or invest in any debt instrument issued by a foreign entity or extend non-fund based commitment to or on behalf of a foreign entity including overseas step down subsidiaries of such Indian entity subject to the following conditions within the financial commitment limit as prescribed in the Foreign Exchange Management (Overseas Investment) Rules, 2022:
- i. the Indian entity is eligible to make Overseas Direct Investment (ODI);
 - ii. the Indian entity has made ODI in the foreign entity;
 - iii. the Indian entity has acquired control in such foreign entity at the time of making such financial commitment.
- The notification is herein attached.

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Securities Exchange Board of India vide circular dated August 25, 2022, has issued Disclosure requirement for Asset Management Companies(AMCs)

- SEBI vide circular dated August 25, 2022, has issued Disclosure requirement for Asset Management Companies(AMCs).



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- SEBI has amended the definition of “associate” as per clause (c) of sub-regulation (1) of regulation 2 of SEBI (Mutual Funds) Regulations, 1996 vide Gazette Notification No. SEBI/LAD-NRO/GN/2022/92 dated August 03,2022
- The circular is herein attached.

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