



The Ministry of Finance vide Notification dated 8th December 2020 amended the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules 2019.

- a) The Central Government in exercise of the powers conferred by clauses (aa) and (ab) of sub-section (2) of section 46 of the Foreign Exchange Management Act, 1999 has amended the Foreign Exchange Management (Non-debt Instruments) Rules 2019 and has made the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules 2020.
- b) As per the amendment, the Defence Industry which is subjected to industrial License under the industries (Development and Regulation) Act, 1951 and Manufacturing of small arms and ammunition under the Arms Act, 1959 shall have the Sectoral Cap at 100% and the Entry Route for FDI shall be up to 74% under automatic route accordingly and government route beyond 74% wherever it is likely to result in access to modern technology or for other reasons to be recorded.