



***Ministry of Finance vide notification dated June 11, 2025, has amended the Foreign Exchange Management (Non-debt Instruments) Rules, 2019***

- Ministry of Finance vide notification dated June 11, 2025, has amended the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
- In the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, rule 7 shall be renumbered as 7(1) thereof and after clause (h) of sub-rule (1) as so renumbered, the following sub-rule shall be inserted, namely:–  
*“(2) An Indian company, engaged in a sector or activity prohibited for foreign direct investment, may issue bonus shares to its pre-existing shareholders who are persons resident outside India, provided that the shareholding pattern of such shareholders is not changed pursuant to the issuance of bonus shares and any bonus shares issued to such shareholders prior to the date of commencement of this sub-rule shall be deemed to have been issued in accordance with the provisions of these rules or the Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000 or the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as the case may be.”*
- These rules shall come into force on the date of their publication in the Official Gazette.
- The notification is attached herein.

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