

RBI curbs on overseas direct investment

OUR BUREAU

PRINT · T+

Share

Share 2

Mumbai, January 27: The Reserve Bank of India on Friday said Indian entities are prohibited from making direct investment in an overseas entity (set up or acquired abroad directly as joint venture, wholly-owned subsidiary or indirectly as step-down subsidiary) located in the countries identified by the Financial Action Task Force as “non-cooperative countries and territories.”

These countries have weak structures to combat money laundering and financing of terrorism. At present, there is no restriction on an Indian party with regard to the countries where it can undertake overseas direct investment.