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# Study of Key Changes In The Consolidated FDI Policy Of 2017 in India

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**Introduction :** The document released by the Department of Policy and Promotion (DIPP) offers investors clarity on entry routes for investments into India, sectors requiring government approval and procedures for the same. The document serves as a guide on the regulations monitoring and permitting foreign investments across respective economic sectors.

**Key changes introduced through the New FDI Policy**

FDI in LLPs: The Erstwhile FDI Policy was silent with respect to conversion of an FDI funded Limited Liability Partnership (LLP) into a company and vice versa. The New FDI Policy allows conversion of an FDI funded LLP operating in sectors/activities where

(i) 100% FDI is allowed through the automatic route; and

(ii) there are no FDI linked performance conditions, into a company, under the automatic route. Similarly, conversion of an FDI funded company operating in sectors/activities where (i) 100% FDI is allowed through the automatic route; and (ii) there are no FDI linked performance conditions, into an LLP, is permitted under the automatic route.

***Downstream Investment Intimation:*** Under the Erstwhile FDI Policy, an entity was required to notify the Secretariat of Industrial Assistance (SIA), DIPP and Foreign Investment Policy Board (FIPB) of its downstream investment. The New FDI Policy requires such intimation to be made to the Reserve Bank of India (RBI) and the Foreign Investment Facilitation Portal. Further, the New FDI Policy is silent on whether the intimation has to be made to regional offices of RBI or the central office of RBI.

***Cash & Carry Wholesale Trading:*** Press Note 12 (2015 series) dated 24 November 2015 (PN 12) allowed a wholesale/ cash & carry trader to undertake single brand retail trading, subject to the conditions related to FDI in single brand retail trading sector. This change was subsequently