



## STRATAGE UPDATES

# Amendments to Foreign Exchange Management (Overseas Investment) Directions, 2022

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The Reserve Bank of India has issued a circular dated June 7, 2024 ([available here](#)), amending the Foreign Exchange Management (Overseas Investment) Directions, 2022 (“**ODI Directions**”), and an overview of the same is set out below:

- The erstwhile definition of overseas portfolio investment (“**OPI**”) under the ODI Directions, limited investments, including sponsor contributions, to ‘units’ of any investment fund overseas. This circular now expands the scope of OPI, including sponsor contributions, to include ‘*units or any other instrument (by whatever name called) issued by an investment fund overseas.*’
- Accordingly, a person resident in India, being an Indian entity or a resident individual, can now make investments, including sponsor contributions, in *units* or *any other instrument (by whatever name called)* issued by an investment fund or vehicle set up in an International Financial Services Centre, as OPI.
- An explanation has been provided for the term ‘*investment fund overseas, duly regulated*’ to also include funds, whose activities are regulated by financial sector regulator of host country or jurisdiction, *through a fund manager.*