

Ministry of Finance



FDI LIMIT FOR INSURANCE SECTOR RAISED FROM 74 TO 100 PER CENT

FORUM FOR REGULATORY COORDINATION AND
DEVELOPMENT OF PENSION PRODUCTS TO BE SET
UP: UNION BUDGET 2025-26

ROLL OUT OF REVAMPED CENTRAL KYC REGISTRY
PLANNED IN 2025

PROCEDURES FOR SPEEDY APPROVAL OF COMPANY
MERGERS TO BE RATIONALIZED, PROCESS TO BE
MADE SIMPLER

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Budget 2025-26 aims to initiate transformative reforms across six domains which will augment our growth potential and global competitiveness during the next five years, the Union Finance & Corporate Affairs Minister said while presenting the Union Budget 2025-26 in the Parliament today.

One of these domains is Financial Sector which encompasses sectors like Insurance, Pensions, Bilateral Investment Treaties (BIT) and so forth.

FDI in Insurance Sector

Smt. Nirmala Sitharaman informed that the FDI limit for the insurance sector will be raised from 74 to 100 per cent. This enhanced limit will be available for those companies which invest the entire premium in India. The current guardrails and conditionalities associated with foreign investment will be reviewed and simplified.

Pension Sector

A forum for regulatory coordination and development of pension products will be set up, the Union Finance Minister stated.

The infographic features a green background with a large yellow '₹' symbol and the text 'UNION BUDGET 2025-26'. Logos for PIB and the Ministry of Finance are at the top. A circular graphic on the right shows a bar chart and the text 'Foreign Direct Investment FDI'. The main title is 'Reforming and Developing Financial Sector'. Three bullet points are listed: 'FDI limit for insurance sector to be raised from 74% to 100%', 'Forum for regulatory coordination and development of pension products to be set up', and 'Revamped Central KYC Registry to be rolled out in 2025, to simplify KYC process'. Social media handles for PIB are at the bottom, and a '1/2' page indicator is in the bottom right corner.

UNION BUDGET 2025-26

Reforming and Developing Financial Sector

- **FDI limit** for insurance sector to be raised from **74% to 100%**
- **Forum for regulatory coordination and development of pension products** to be set up
- **Revamped Central KYC Registry** to be rolled out in 2025, to simplify KYC process

Foreign Direct Investment
FDI

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1/2

KYC Simplification

To implement the earlier announcement on simplifying the KYC process, the revamped Central KYC Registry will be rolled out in 2025, Smt. Nirmala Sitharaman said. A streamlined system for periodic updating will also be implemented.

Merger of Companies

The Union Finance Minister also said that requirements and procedures for speedy approval of company mergers will be rationalized. The scope for fast-track mergers will also be widened and the process will be made simpler.

Bilateral Investment Treaties

To encourage sustained foreign investment and in the spirit of 'first develop India', the current model BIT will be revamped and made more investor-friendly, the Union Finance Minister added.

NB/AD

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