

**INTRODUCTION OF A MINIMUM FOREIGN INVESTMENT
(PROPOSED AMENDMENT TO THE FOREIGN EXCHANGE REGULATIONS NO.02 OF 2021)**

On 26th October, the Registrar General of Companies issued a [Notice](#) of a proposed amendment to the [Foreign Exchange Regulations No.02 of 2021](#). This is to give effect to the Ministry of Finance's decision to impose a minimum USD 50,000 foreign investment for new incorporations except in certain sectors.

The proposal is as follows:

- All foreign investment via the Registrar of Companies must comply with **minimum investment USD 50,000**. The ceilings on foreign ownership under the Regulations will continue to be in place.
- Tech start-ups, IT/ITES and BPM Businesses with any percentage of shareholding are **exempt from this investment requirement**
- Investors must submit a confirmation of the Investment through their Inward Investment Account along with the Incorporation documents to the ROC.

The Department of Foreign Exchange of the Central Bank has confirmed to us that the amendments to the existing Regulations will be issued shortly. It is likely that the new Regulations will define what activities fall within the exempted categories of IT, ITES and BPM.

You may recall that incorporations with foreign shareholding (except IT and Tech startups) were suspended recently by the ROC. However, pending the amendment to the Regulation, the ROC is now implementing the proposal. So, investments previously stuck in the pipeline are now proceeding as long as they comply with the minimum investment requirements.

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