

Government of India
Ministry of Commerce & Industry
Department for Promotion of Industry & Internal Trade

Clarification on FDI Policy for uploading/streaming of news and current affairs through Digital Media

Vide Press Note 4 of 2019 dated 18.09.2019, the Central Government had decided to liberalise the FDI regime for entities engaged in the News Digital Media Sector. Accordingly, entities engaged in uploading/streaming of news and current affairs through digital media have been permitted FDI up to 26% through the Government approval route.

2. The Department had received representations from stakeholders seeking clarifications on certain aspects of the aforesaid decision. After due consultations, it is clarified as under:


(i) The decision of permitting 26% FDI through Government route would apply to following categories of Indian entities, registered or located in India:

- (a) digital media entity streaming/uploading news and current affairs on websites, apps or other platforms;
- (b) news agency which gathers, writes and distributes/transmits news, directly or indirectly, to digital media entities and/or news aggregators; and
- (c) news aggregator, being an entity which, using software or web application, aggregates news content from various sources, such as news websites, blogs, podcasts, video blogs, user submitted links, etc in one location.

(ii) Entities covered under (i) above would be required to align their FDI to the 26% level with the approval of the Central Government, within one year from the date of issue of this clarification.

3. Compliance with the FDI Policy and the applicable FEMA Notification (including the Notification S.O. 4355 (E) dated 5th December, 2019) would be the responsibility of the investee entity. Further, the entity would adhere to the following conditions:

- (a) The majority of Directors on the Board of the company shall be Indian citizens;
- (b) The Chief Executive Officer shall be an Indian citizen;
- (c) The entity shall be required to obtain security clearance of all foreign personnel likely to be deployed for more than 60 days in a year by way of appointment, contract or consultancy or in any other capacity for functioning of the entity prior to their deployment. In the event of security clearance of any of the foreign personnel being denied or withdrawn for any reasons whatsoever, the investee entity will ensure that the concerned person resigns or his/her services are terminated forthwith after receiving such directives from the Government.


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