

## INVESTMENT IN INDIAN GOVERNMENT SECURITIES THROUGH FULLY ACCESSIBLE ROUTE (FAR)

### The FAR Scheme

FAR Scheme is a new scheme introduced by Reserve Bank of India (RBI) in 30<sup>th</sup> March-2020. FAR mean "Fully Accessible Route". Under this scheme, a foreign firm can make **unlimited Investment** in long dated Government of India Securities.

### Eligible Parties

If you are coming under any of the following categories, you are eligible for making investment under FAR Route.

Category-I	Category-II	Category-III
Government and government related foreign investors such as Central Banks, Sovereign Wealth Funds.	Mutual Funds, Insurance Co, Banks, Asset Management Companies, investment managers / advisors, portfolio managers, broker dealers and swap dealers, University funds, and Pension funds.	Endowments, Charitable societies, Corporate bodies, Trusts, Family offices, Individuals

### Narration of Categories:-

- If you are a Central Bank, Sovereign Wealth Fund, You can register in India as **Category-I Foreign Portfolio Investor** and can make investment through FAR Route.
- If you are a Bank, Mutual Funds, Insurance Co, Asset Management Companies, investment managers / advisors, portfolio managers, broker dealers and swap dealers, University funds, and Pension funds, you can register in India as **Category-II Foreign Portfolio Investor** and can make investment through FAR Route.
- If you are Endowments, Charitable societies, corporate bodies, Trusts, Family offices, Individuals, You can register in India as **Category-III Foreign Portfolio Investor** and can make investment through FAR Route.

### **Whether other categories are allowed**

Yes, Non-Resident Indians (NRIs), Overseas Citizens of India (OCIs) and other entities permitted to invest in Government Securities under the Debt Regulations can invest under FAR Route. Any other categories are also eligible for investment through International Central Securities Depositories. But investments through International Central Securities Depositories are yet to be notified.

### **Who is the registering authority for Category-I, II, III Foreign Portfolio Investor**

The Securities and Exchange Board of India (SEBI) is the sanctioning authority for Category-I, II, III Foreign Portfolio Investor

### **Whether there is need for separate company formation in India for making investment through this route**

No need. But you have to first obtain an Income Tax Permanent Account Number. Thereafter you have to execute an agreement with a professional firm here in India for doing all works including the office works and tax filing works.

### **Whether all Government of India Securities are eligible for investment**

No. You can make investment in the following **specified** Government of India Securities only. No other Government of India Securities are eligible for making investment through FAR Route.

<b>S No.</b>	<b>ISIN</b>	<b>Security</b>	<b>Remarks</b>
1	IN0020190396	6.18% GS 2024	Maturing at 2024, Interest 6.18% per annum
2	IN0020180488	7.32% GS 2024	Maturing at 2024, Interest 7.32% per annum
3	IN0020190362	6.45% GS 2029	Maturing at 2029 ,Interest 6.45% per annum
4	IN0020180454	7.26% GS 2029	Maturing at 2029 ,Interest 7.26% per annum
5	IN0020190032	7.72% GS 2049	Maturing at 2049, Interest 7.72% per annum

### **What is the Risk Involved in this kind of Investment?**

The main risk associated with FAR Route of Investment is Currency Fluctuation Risk. The Indian Rupees to US Dollar during the last 3 years are below.

US Dollar Indian Rupee



SOURCE: TRADINGECONOMICS.COM

Current Rate is 1 UD Dollar=74.77 Indian Rupee

2017 Rate was 1 UD Dollar=63.00 Indian Rupee

### Steps for coming under FAR Route through our High End Services

We are offering High End Services to foreign firms for coming under FAR Route Investments. The steps are

Steps	Particulars
1.	Appointing us for doing the above works
2.	Application submission to Authorities (SEBI)
3.	Approval by SEBI
4.	Appointing Necessary Staffs-Maximum 1 Staffs required
5.	Bringing Money from outside India
6.	Making Investment in Government of India securities
7.	Annual Tax Compliance
8.	Repatriation of Interest Incomes
9.	Repatriation principal amount at the time of closing

We can offer you

- a. Registration Related Services
- b. Fund Handling Services
- c. Annual Tax Compliance matters
- d. All associated works with Reserve Bank of India and Government of India

**How long time it will take**

Maximum 30 Days

So if you are looking for making investment in India Government Securities, we are very much pleased to welcome you.

Thank you

By

**JAWAHAR.U, B.Com, FCA**  
**Chartered Accountant**  
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