

49% FDI under the automatic route shall add to ease of doing business and investment in the private security industry

New Delhi, 20 June 2016: Expressing happiness on government announcement on liberalisation of FDI in private security industry **Mr. Rituraj Sinha, Co- Chair, FICCI Committee on Private Security Industry said**, “The private security industry welcomes the announcement towards relaxation of foreign investment in the sector. Allowing up to 49 percent FDI under the automatic route shall add to ease of doing business significantly and is expected to expedite the investment process in the sector substantially”.

“However, the private security industry shall be engaging with the DIPP & MHA to understand the announcement regarding allowing up to 74% FDI in the private security sector under government approval route. Given that investment in the private security sector is capped at 49 percent as result of the provisions under the Private Security Agencies Regulation Act (2005), the Government decision to allow majority foreign ownership in private security industry up to 74 percent would require amendments to the PSAR Act (2005) prior”, **Mr. Sinha added.**

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