

Decision on FDI in LLPs likely soon

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NEW DELHI: Inter-ministerial consensus seems to be emerging on allowing FDI in Limited Liability Partnership (LLPs) - a new form of business structure- in sectors where 100% overseas investment is permitted through automatic route. The department of industrial policy and promotion (Dipp), the department of economic affairs and corporate affairs ministry are engaged in consultations on a policy directive on foreign direct investment (FDI) in LLPs, an official said. LLPs are a hybrid between a company and a partnership firm. As it allows unlimited number of partners with limited liability, it is expected to become popular, especially among consulting and accountancy outfits. "The matter is on fast track...it may be decided soon," the official said. Earlier, the Dipp had some reservations on allowing FDI through automatic route in these firms on security concerns. It had wanted the proposals to be screened by the foreign investment promotion board (FIPB).