



# 06.06.2026 NEWS

## ORDINANCE TO EXEMPT FOREIGN INVESTMENTS IN GOVERNMENT BONDS FROM CAPITAL GAINS TAX

### » Emergency Ordinance

- The Central Government announced on June 5 that this law will come into effect from April 1 of the current financial year.
- The decision has been taken to attract foreign investment and ease pressure on the Indian Rupee.
- The government has introduced an ordinance to amend the Income Tax Act and provide tax exemptions on interest income and capital gains earned from the sale, transfer, or exchange of government securities (government bonds).
- Since Parliament was not in session, the ordinance was promulgated immediately using the President's legislative powers under Article 123 of the Constitution, according to the Finance Ministry.
- The ministry further stated that various initiatives are being undertaken to strengthen India as a global investment destination and improve capital markets by attracting long-term foreign investment.

### » Government Bonds

- To increase the participation of Foreign Portfolio Investors (FPIs) in government securities, the government has decided to expand the list of securities under the Fully Accessible Route (FAR).
- Accordingly, newly issued government bonds with maturities of : 15 years, 30 years, 40 years as well as Sovereign Green Bonds, will now be included.
- Under the general investment route, three restrictions imposed on foreign investments are being removed : Short-term debt limit, Concentration limit, Security-wise investment limit
- However : Overall investment limit in Central Government bonds remains at 6% Investment limit in State Government bonds remains at 2%.
- The "general" and "long-term" subcategories under investment limits for Central and State Government securities will also be merged.

- » Approval from the Reserve Bank
- The Reserve Bank of India approved the Finance Ministry's decision regarding foreign investments in newly issued government securities under the Fully Accessible Route.
- RBI also removed the three restrictions relating to : Short-term debt limits, Concentration limits, Security-wise limits.
- With capital gains tax exemptions and relaxed investment rules, the government is expected to borrow at lower interest rates.
- Additionally, policymakers expect that the Indian Rupee, which has weakened by around 6% since the beginning of the year due to rising crude oil prices and declining foreign investments, may strengthen again.

### **INDIA'S 100TH RAMSAR SITE**

- » 1971 in Ramsar city
- Prime Minister Narendra Modi announced that the Jayaprakash Narayan Bird Sanctuary in Uttar Pradesh has been recognized as India's 100th Ramsar Site.
- What is the Ramsar Convention? The Ramsar Convention was adopted in 1971 in Ramsar city, Iran, to protect wetlands around the world.
- Countries signing the agreement commit to protecting ecosystems categorized as wetlands and ensuring their ecological sustainability.
- India signed the convention on February 1, 1982.
- Importance of the Recognition - The government stated that over the last few years, several measures have been taken to conserve wetlands through : Scientific initiatives, Innovation-based approaches, Awareness campaigns
- Receiving Ramsar recognition is expected to help : Protect biodiversity, Maintain ecological balance, Build a greener future.
- The Jayaprakash Narayan Bird Sanctuary has now become the 13th Ramsar site in Uttar Pradesh.

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