

Restructuring of BBC Operations in India

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Why in News?

BBC has separated its newsroom in India into a new company by handing over its publishing license to a private limited company established by its Indian employees.

These changes came a year after the Enforcement Directorate (ED), in April 2023, had registered a case against the British Broadcasting Corporation (BBC) India under the [Foreign Exchange Management Act \(FEMA\)](#) for alleged foreign exchange violation.

Restructuring of BBC India

About:

- The BBC has separated its newsroom in India. They gave their publishing license to a private company formed by Indian employees.
 - BBC is the national broadcaster of the United Kingdom, based at Broadcasting House in London.
 - The BBC's India bureau, comprising around 200 people, is its largest operation worldwide outside the United Kingdom.

- It began broadcasting in India in May 1940.
- This is the first time BBC has done this anywhere in the world.

New arrangement:

- Under this new arrangement, a private limited company called the **“Collective Newsroom”** has been set up by four former BBC employees.
- Its India offices will produce all of the India content in seven languages for the BBC’s digital services in Hindi, Gujarati, Marathi, Punjabi, Tamil, and Telugu.
- The BBC is learnt to have applied to the Indian government for a 26% stake in this private limited company.

Restructuring due to new FDI Rules

- The restructuring of the BBC’s India operations was prompted by the new Foreign Direct Investment (FDI) rules that was introduced in 2020.
 - The new rules imposed a 26% FDI limit in India’s digital media sector.
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Q.1. What is FDI limit in India’s digital media sector?

Accordingly, entities engaged in uploading / streaming of news and current affairs through digital media platforms are permitted to receive FDI up to 26% under the government approval route.

Q.2. What is forex?

Forex, or foreign exchange, is the global, decentralized market for buying and selling currencies. It’s the world’s largest financial market, and exchange rates change by the second.

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