



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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RBI/2019-20/151

A.P. (DIR Series) Circular No.19

January 23, 2020

To

All Authorised persons

Madam / Sir,

**'Voluntary Retention Route' (VRR) for Foreign Portfolio Investors (FPIs) investment in debt – relaxations**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to the Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified vide [Notification No. FEMA. 396/2019-RB dated October 17, 2019](#), as amended from time to time, and relevant directions issued thereunder. Attention is also invited to [A.P. \(DIR Series\) Circular No. 34 dated May 24, 2019](#) (hereinafter Directions).

2. On a review, the following changes are made to the Directions governing investment through the Voluntary Retention Route (VRR).

- The investment cap is increased to **Rs. 1,50,000 crores** from Rs. 75,000 crores.
- FPIs that have been allotted investment limits under VRR may, at their discretion, transfer their investments made under the General Investment Limit to VRR.
- FPIs are also allowed to invest in Exchange Traded Funds that invest only in debt instruments.

3. The [updated Directions](#) are attached.

4. These directions are issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/ approvals, if any, required under any other law.

Yours faithfully

(Saswat Mahapatra)  
Deputy General Manager (O-i-C)