



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2019-20/214

A.P. (DIR Series) Circular No. 30

April 15, 2020

To,

All Authorized Persons

Madam / Sir

Investment by Foreign Portfolio Investors (FPI) in Government Securities: Medium Term Framework (MTF)

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to Schedule 1 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 the relevant directions issued thereunder.

2. A reference is also invited to the following directions issued by the Reserve Bank:

- [A.P. \(DIR Series\) Circular No. 26 dated March 27, 2019;](#)
- [A.P. \(DIR Series\) Circular No. 24 dated March 30, 2020;](#)
- [A.P. \(DIR Series\) Circular No. 25 dated March 30, 2020;](#) and
- [Circular No. FMRD. FMSD.No. 25/14.01.006/2019-20 dated March 30, 2020.](#)

3. Revision of investment Limits for FY 2020-21

- The limits for FPI investment in Government securities (G-secs) and State Development Loans (SDLs) shall remain unchanged at 6% and 2%, respectively, of outstanding stocks of securities for FY 2020-21.
- In terms of [A.P. \(DIR Series\) Circular No. 25 dated March 30, 2020](#), all investments by eligible investors in the specified securities will be under the Fully Accessible Route (FAR) from the date on which the FAR comes into effect. Also, all existing FPI investments in the specified securities shall be reckoned under the FAR. The calculation of outstanding stock of G-secs and utilization levels of limits under the MTF has accordingly been adjusted.
- The allocation of incremental changes in the G-sec limit (in absolute terms) over the two sub-categories – 'General' and 'Long-term' – shall be retained at 50:50 for FY 2020-21.

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हिन्दी आसान है, इसका प्रयोग बढ़ाइए

d. The entire increase in limits for SDLs (in absolute terms) has been added to the 'General' sub-category of SDLs.

4. Accordingly, the revised limits (in absolute terms) for the different categories, including the limits for corporate bonds announced vide [A.P. \(DIR Series\) Circular No. 24 dated March 30, 2020](#), shall be as under (Table 1):

Table - 1: Investment limits for FY 2020-21

	G-Sec - General	G-Sec – Long Term	SDL - General	SDL – Long Term	Corporate Bonds	Total Debt
Current FPI limits	2,46,100	1,15,100	61,200	7,100	3,17,000	7,46,500
Revised limit for the HY Apr -Sept 2020	2,34,531	1,03,531	64,415	7,100	4,29,244	8,38,821
Revised limit for the HY Oct 2020-Mar 2021	2,34,531	1,03,531	67,630	7,100	5,41,488	9,54,280

₹ Crore

5. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

6. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/approval, if any, required under any other law.

Yours faithfully

(Dimple Bhandia)
General Manager-in-Charge