



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI/2024-25/27

A.P. (DIR Series) Circular No. 03

April 26, 2024

To,

All Authorized Persons

Madam / Sir

Limits for investment in debt and sale of Credit Default Swaps by Foreign Portfolio Investors (FPIs)

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. Reference is also invited to the following directions issued by the Reserve Bank:

- [A.P. \(DIR Series\) Circular No. 25 dated March 30, 2020;](#)
- [Circular No. FMRD.FMSD.No.25/14.01.006/2019-20 dated March 30, 2020;](#)
- [A.P. \(DIR Series\) Circular No. 23 dated February 10, 2022;](#)
- [A.P. \(DIR Series\) Circular No. 01 dated April 19, 2022;](#)
- [Circular no. FMRD.FMID.No.04/14.01.006/2022-23 dated July 07, 2022;](#)
- [Circular no. FMRD.FMID.No. 07/14.01.006/2022-23 dated January 23, 2023;](#) and
- [Circular no. FMRD.FMID.No. 04/14.01.006/2023-24 dated November 08, 2023;](#)

3. Investment Limits for the financial year 2024-25:

- The limits for FPI investment in government securities (g-secs), state government securities (SGSs) and corporate bonds shall remain unchanged at 6 per cent, 2 per cent and 15 per cent respectively, of the outstanding stocks of securities for 2024-25.
- As hitherto, all investments by eligible investors in the 'specified securities' shall be reckoned under the Fully Accessible Route (FAR) in terms of [A.P. \(DIR Series\) Circular No. 25 dated March 30, 2020](#).
- 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 2024-25.

वित्तीय बाज़ार विनियमन विभाग, केंद्रीय कार्यालय भवन, नौवीं मंजिल, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001, भारत

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हिन्दी आसान है, इसका प्रयोग बढ़ाइए

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

4. The revised limits (in absolute terms) for the different categories, are in Table 1:

| Table 1: Investment limits for 2024-25 | | | | | | |
|---|--------------------------|----------------------------|------------------------|------------------------------|----------------------------|-------------------|
| <i>all figures in ₹ Crore</i> | | | | | | |
| | G-Sec General | G-Sec Long Term | SGS General | SGS Long Term | Corporate Bonds | Total Debt |
| Current FPI limits | 2,67,890 | 1,36,890 | 92,828 | 7,100 | 6,67,871 | 11,72,578 |
| Revised limit for the HY Apr 2024-Sept 2024 | 2,68,437 | 1,37,437 | 1,05,290 | 7,100 | 7,15,687 | 12,33,951 |
| Revised limit for the HY Oct 2024-Mar 2025 | 2,68,984 | 1,37,984 | 1,17,752 | 7,100 | 7,63,503 | 12,95,322 |

5. In terms of [A.P. \(DIR Series\) Circular No. 23 dated February 10, 2022](#), the aggregate limit of the notional amount of Credit Default Swaps sold by FPIs shall be 5 per cent of the outstanding stock of corporate bonds. Accordingly, an additional limit of ₹2,54,500 crore is set out for 2024-25.

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

7. 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) without prejudice to permissions/approval, if any, required under any other law.

Yours faithfully

(Dimple Bhandia)
Chief General Manager