



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA



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RBI/2022-23/28

A.P. (DIR Series) Circular No. 01 (revised number)

April 19, 2022

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. A 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. 05 dated May 31, 2021](#); and
- [A.P. \(DIR Series\) Circular No. 23 dated February 10, 2022](#).

**3. Investment Limits for the financial year (FY) 2022-23:**

- The limits for FPI investment in Government securities (G-secs), State Development Loans (SDLs) and corporate bonds shall remain unchanged at 6%, 2% and 15% respectively, of outstanding stocks of securities for FY 2022-23.
- 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 FY 2022-23.
- The entire increase in limits for SDLs (in absolute terms) has been added to the 'General' sub-category of SDLs.

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

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

<b>Table - 1: Investment limits for FY 2022-23</b>						
<i>all figures in ₹ Crore</i>						
	<b>G-Sec General</b>	<b>G-Sec Long Term</b>	<b>SDL General</b>	<b>SDL Long Term</b>	<b>Corporate Bonds</b>	<b>Total Debt</b>
Current FPI limits	2,53,298	1,22,298	85,902	7,100	6,07,039	10,75,637
Revised limit for the HY Apr 2022-Sept 2022	2,60,594	1,29,594	89,365	7,100	6,37,455	11,24,107
Revised limit for the HY Oct 2022-Mar 2023	2,67,890	1,36,890	92,828	7,100	6,67,871	11,72,578

5. In terms of [A.P. \(DIR Series\) Circular No. 23 dated February 10, 2022](#), the aggregate limit of the notional amount of CDS sold by FPIs shall be 5% of the outstanding stock of corporate bonds. Accordingly, an additional limit of ₹2,22,623 crore is set out for FY 2022-23.

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

Yours faithfully

(Dimple Bhandia)  
Chief General Manager