



# भारतीय प्रतिभूति और विनियम बोर्ड Securities and Exchange Board of India

## CIRCULAR

CIR/IMD/FIIC/2/2015

February 05, 2015

**To**  
**All Foreign Portfolio Investors**  
through their designated Custodians of Securities

**The Depositories (NSDL and CDSL)**

**Sir / Madam,**

**Sub: Change in investment conditions for FPI investments in Government Debt securities**

1. Pursuant to the announcements made in the Sixth Bi-monthly Monetary Policy Statement, 2014-15 dated February 03, 2015 by the Reserve Bank of India (RBI), it has been decided that investment of coupons in Government securities will be enabled even when the existing limits for FPIs are fully utilised.
2. Accordingly, FPIs shall be permitted to invest in Government securities, the coupons received on their investments in Government securities. Such investments shall be kept outside the applicable limit (currently USD 30 billion) for investments by FPIs in Government securities.
3. For the purpose of investment of coupons, the FPIs shall have an investment period of 5 working days from the date of receipt of the coupon. A re-investment facility of 5 working days shall be provided on the Government securities that have been purchased by utilizing the coupons. All other existing conditions for investment by FPIs in the Government securities market remain unchanged for this additional facility as well. It is further clarified that coupons received on these Government securities purchased by investment of coupons shall also have the same facility.
4. The coupons invested in purchasing Government securities shall be classified into a separate investment category which is over and above the USD 30 billion Government debt limit. The depositories shall put in place the necessary systems for the daily reporting by the custodians of the FPIs and shall also disseminate this coupon investment data along with the daily debt utilization data.



**भारतीय प्रतिभूति और विनिमय बोर्ड**  
**Securities and Exchange Board of India**

This circular shall come into effect immediately. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.

A copy of this circular is available at the web page "Circulars" on our website [www.sebi.gov.in](http://www.sebi.gov.in). Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

**S MADHUSUDHANAN**  
**Deputy General Manager**  
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