



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

## CIRCULAR

IMD/FPIC/CIR/P/2016/107  
October 03, 2016

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

**The Depositories (NSDL and CDSL)**

**Sir / Madam,**

**Sub: Investments by FPIs in Government securities**

1. RBI in its Fourth Bi-monthly Policy Statement for the year 2015-16, dated September 29, 2015 had announced a Medium Term Framework (MTF) for FPI limits in Government securities in consultation with the Government of India. Accordingly, SEBI had issued circulars CIR/IMD/FPIC/8/2015 dated October 06, 2015 and IMD/FPIC/CIR/P/2016/45 dated March 29, 2016 regarding the allocation and monitoring of FPI debt investment limits in Government securities.
2. As announced in the MTF and in partial modification to Para 2 of the SEBI circular IMD/FPIC/CIR/P/2016/45 dated March 29, 2016, it has been decided to enhance the limit for investment by FPIs in Government Securities, for the next half year, as follows:
  - a. Limit for FPIs in Central Government securities shall be revised to INR 148,000 cr on October 03, 2016 and INR 152,000 cr on January 02, 2017 respectively.
  - b. Limit for Long Term FPIs (Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks) in Central Government securities shall be enhanced to INR 62,000 cr and INR 68,000 cr on October 03, 2016 and January 02, 2017 respectively.
  - c. The limit for investment by all FPIs in State Development Loans (SDL) shall be enhanced to INR 17,500 cr on October 03, 2016 and INR 21,000 cr on January 02, 2017 respectively.



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3. Accordingly, the revised FPI debt limits would be as follows:

Type of Instrument	Revised Upper Cap with effect from October 03, 2016 (INR cr)	Revised Upper Cap with effect from January 02, 2017 (INR cr)
Government Debt	148,000	152,000
Government Debt – Long Term	62,000	68,000
State Development Loans	17,500	21,000
<b>Total</b>	<b>227,500</b>	<b>241,000</b>

4. The incremental limits for Long Term FPIs shall be available for investment on tap with effect from October 03, 2016 and January 02, 2017 respectively.
5. The incremental limits of INR 3,500 cr each for investment by FPIs in SDLs shall be available for investment on tap with effect from October 03, 2016 and January 02, 2017 respectively.
6. In partial modification to Para 7 of the SEBI circular IMD/FPIC/CIR/P/2016/45 dated March 29, 2016, a separate communication will be issued with regard to transfer of unutilized limits from Government Debt – Long Term category to Government debt category.
7. All other existing terms and conditions, including the security-wise limits, investment of coupons being permitted outside the limits and investments being restricted to securities with a minimum residual maturity of three years, shall continue to apply.

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,

**ACHAL SINGH**  
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