



भारतीय प्रतिभूति और विनियम बोर्ड Securities and Exchange Board of India

CIRCULAR

**IMD/FPIC/CIR/P/2017/129
December 20, 2017**

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, IMD/FPIC/CIR/P/2016/45 dated March 29, 2016 and IMD/FPIC/CIR/P/2016/107 dated October 03, 2016, IMD/FPIC/CIR/P/2017/30 dated April 03, 2017, IMD/FPIC/CIR/P/2017/74 dated July 04, 2017 and IMD/FPIC/CIR/P/2017/113 dated October 04, 2017 regarding the allocation and monitoring of FPI debt investment limits in Government securities.
2. It has been decided to revise the limit for investment by FPIs in Government Securities, for the January - March 2018 quarter, with effect from January 01, 2018, as follows:
 - a. Limit for FPIs in Central Government securities shall be enhanced to INR 191,300 cr.
 - 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 revised to INR 65,100 cr.
 - c. The debt limit category of State Development Loans (SDL) shall be enhanced as follows:
 - i. SDL-General shall be enhanced to INR 31,500 cr
 - ii. SDL-Long Term shall be enhanced to INR 13,600 cr



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3. Accordingly, the revised FPI debt limits would be as follows with effect from January 01, 2018:

Type of Instrument	Upper Cap as on December 31, 2017 (INR cr)	Revised Upper Cap with effect from January 01, 2018 (INR cr)
Government Debt - General	189,700	191,300
Government Debt - Long Term	60,300	65,100
SDL - General	30,000	31,500
SDL - Long Term	9,300	13,600
Total	289,300	301,500

4. All other existing conditions with regard to allocation and monitoring of debt limits 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. Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

ACHAL SINGH
Deputy General Manager
Tel No.: 022-26449619
Email: achals@sebi.gov.in