

Investment by Foreign Portfolio Investors (FPI) in Debt

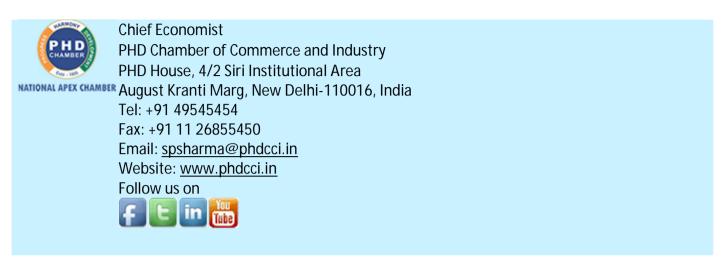
Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to Schedule 5 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 notified vide Notification No. FEMA.20(R)/2017-RB dated November 07, 2017, as amended from time to time and the relevant directions issued thereunder.

- 2. In terms of paragraph 4(f) (ii) of the AP (DIR Series) Circular No. 31 dated June 15, 2018 no FPI shall have an exposure of more than 20% of its corporate bond portfolio to a single corporate (including exposure to entities related to the corporate). As announced in paragraph 10 of the Statement on Developmental and Regulatory Policies of the Sixth Bi-monthly Monetary Policy Statement for 2018-19 dated February 07, 2019, in order to encourage a wider spectrum of investors to access the Indian corporate debt market, it has been decided to withdraw this provision with immediate effect.
- 3. 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/ approvals, if any, required under any other law.

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Warm Regards,

Dr S P Sharma





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