



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA



RBI/2022-23/98

A.P. (DIR Series) Circular No. 11

August 1, 2022

To

All Category-I Authorised Dealer Banks

Madam / Sir,

External Commercial Borrowings (ECB) Policy – Liberalisation Measures

Attention is invited to paragraph 2.2 of [FED Master Direction No.5 on External Commercial Borrowings, Trade Credits and Structured Obligations, dated March 26, 2019](#) (as amended from time to time), in terms of which eligible ECB borrowers are allowed to raise ECB up to USD 750 million or equivalent per financial year under the automatic route, and paragraph 2.1.vi. *ibid*, wherein the all-in-cost ceiling for ECBs has been specified.

2. As announced in paragraph five of the [press release on “Liberalisation of Forex Flows” dated July 06, 2022](#), it has been decided, in consultation with the Central Government, to:

- i) increase the automatic route limit from USD 750 million or equivalent to USD 1.5 billion or equivalent.
- ii) increase the all-in-cost ceiling for ECBs, by 100 bps. The enhanced all-in-cost ceiling shall be available only to eligible borrowers of investment grade rating from Indian Credit Rating Agencies (CRAs). Other eligible borrowers may raise ECB within the existing all-in-cost ceiling, as hitherto.

The above relaxations would be available for ECBs to be raised till December 31, 2022.

3. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers.

4. The aforesaid Master Direction No. 5, is being updated to reflect these changes.

5. Necessary amendments to the relevant regulations have been made through [the Foreign Exchange Management \(Borrowing and Lending\) \(Amendment\) Regulations, 2022, notified vide notification No. FEMA.3\(R\)\(3\)/2022-RB dated July 29, 2022](#).

6. The directions contained in this circular have been issued under section 10(4) and 11(2) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/ approvals, if any, required under any other law.

Yours faithfully,

(Ajay Kumar Misra)
Chief General Manager-in-Charge