



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA



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RBI/2025-26/20

A.P. (DIR Series) Circular No. 01

April 03, 2025

To,

All Authorized Persons

Madam / Sir

Limits for investment in debt and sale of Credit Default Swaps by Foreign Portfolio Investors (FPIs)

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to Schedule 1 to the Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified vide [Notification No. FEMA. 396/2019-RB dated October 17, 2019](#) as amended from time to time and the relevant Directions issued thereunder.

2. Reference is also invited to the following directions issued by the Reserve Bank:

- [A.P. \(DIR Series\) Circular No. 23 dated February 10, 2022;](#)
- [A.P. \(DIR Series\) Circular No. 03 dated April 26, 2024;](#) and
- [Master Direction - Reserve Bank of India \(Non-resident Investment in Debt Instruments\) Directions, 2025 dated January 07, 2025.](#)

3. Investment Limits for the financial year 2025-26:

- The limits for FPI investment in Government Securities (G-Secs), State Government Securities (SGSs) and corporate bonds shall remain unchanged at 6 per cent, 2 per cent and 15 per cent respectively, of the outstanding stocks of securities for 2025-26.
- As hitherto, all investments by eligible investors in the 'specified securities' shall be reckoned under the Fully Accessible Route (FAR) in terms of [Master Direction - Reserve Bank of India \(Non-resident Investment in Debt Instruments\) Directions, 2025 dated January 07, 2025.](#)

c) The allocation of incremental changes in the G-Sec limit (in absolute terms) over the two sub-categories – ‘General’ and ‘Long-term’ – shall be retained at 50:50 for 2025-26.

d) The entire increase in limits for SGSs (in absolute terms) has been added to the ‘General’ sub-category of SGSs.

4. The revised limits (in absolute terms) for the different categories, are in Table 1:

Table - 1: Investment limits for FY 2025-26						
<i>all figures in ₹ Crore</i>						
	G-Sec General	G-Sec Long Term	SGS General	SGS Long Term	Corporate Bonds	Total Debt
Current FPI limits	2,68,984	1,37,984	1,17,752	7,100	7,63,503	12,95,323
Revised limit for the HY Apr 2025-Sept 2025	2,79,236	1,48,236	1,26,248	7,100	8,22,169	13,82,989
Revised limit for the HY Oct 2025-Mar 2026	2,89,488	1,58,488	1,34,744	7,100	8,80,835	14,70,654

5. In terms of [A.P. \(DIR Series\) Circular No. 23 dated February 10, 2022](#), the aggregate limit of the notional amount of Credit Default Swaps sold by FPIs shall be 5 per cent of the outstanding stock of corporate bonds. Accordingly, an additional limit of ₹2,93,612 crore is set out for 2025-26.

6. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

7. 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) without prejudice to permissions/approval, if any, required under any other law.

Yours faithfully

(Dimple Bhandia)
Chief General Manager