



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
www.rbi.org.in

RBI/2018-19/123

A.P. (DIR Series) Circular No. 19

February 15, 2019

To

All Authorised persons

Madam / Sir,

**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.

Yours faithfully

(T. Rabi Sankar)  
Chief General Manager