



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2026-27/97

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

June 05, 2026

To,

All Authorised Persons

Madam/Sir,

Dear Sir,

**Investments by Foreign Portfolio Investors in Government Securities –
Amendments to the regulatory framework**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited 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; the [Master Direction - Reserve Bank of India \(Non-resident Investment in Debt Instruments\) Directions, 2025 dated January 07, 2025](#) [hereinafter, 'Master Direction']; and [A.P. \(DIR Series\) Circular No. 05 dated April 06, 2026](#).

2. At present, investments by Foreign Portfolio Investors (FPIs) in Government Securities through the General Route are subject to (i) short-term investment limit, (ii) security-wise limit, and (iii) concentration limit. On a review, and with a view to providing greater ease of investment to FPIs, it has been decided to withdraw the requirement for FPIs to comply with the above three limits, for their investments in Government securities under the General Route.

3. It has also been decided to merge the sub-categories of investment limits, viz., 'general' and 'long-term' into a single limit for investment in Central Government Securities and State Government Securities (SGSs), respectively. The limits notified for investment in Central Government securities and SGSs for the

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हिन्दी आसान है, इसका प्रयोग बढ़ाइए



financial year 2026-27 vide [A.P. \(DIR Series\) Circular No. 05 dated April 6, 2026](#), shall accordingly be modified as under:

Investment limits for FY 2026-27		
<i>all figures in ₹ Crore</i>		
	Central Government Securities	State Government Securities
Limit for the HY Apr 2026 – Sep 2026	4,62,490	1,53,043
Limit for the HY Oct 2026 – Mar 2027	4,77,006	1,64,242

4. In addition, it has been decided to additionally designate the following instruments as 'specified securities' under the Fully Accessible Route (FAR):

- a) **Government Securities:** All new issuances in 15-year, 30-year, and 40-year tenors.
- b) **Sovereign Green Bonds:** All new issuances in 5-year, 7-year, 10-year, 15-year, 30-year, and 40-year tenors.
- c) **Existing Securities:** Those listed in the table below.

Table: Additional 'specified securities' under the FAR		
Sr. No.	ISIN	Security
1	IN0020250042	6.68% GS 2040
2	IN0020250075	7.24% GS 2055
3	IN0020260033	7.71% GS 2066

5. The directions in this circular come into effect immediately. The updated [Master Direction](#) is enclosed herewith (the changes are tabulated in the [Annex](#)).

6. AD Category-I banks may bring the contents of these directions to the notice of their constituents.

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



Annex

Sr. No	Existing Directions	Revised/Additional Directions
Sub-clause (g) of clause (i) of paragraph 2 shall be omitted.		
(i)	“Long-Term FPIs” shall mean Sovereign Wealth Funds, Multilateral Agencies, Pension / Insurance / Endowment Funds and foreign Central Banks.	-
Sub-clause (s) of clause (i) of paragraph 2 shall be omitted.		
(ii)	“Short-term Investments” shall mean investments with residual maturity up to one year.	-
Clause (i) of paragraph 4.3 shall be omitted.		
(iii)	Minimum residual maturity requirement: An FPI may invest in Central Government Securities (including Treasury Bills) and State Government Securities without any minimum residual maturity requirement.	-
Clause (ii) of paragraph 4.3 shall be omitted.		
(iv)	Short-term investment limit: Investments by an FPI in Central Government Securities (including Treasury Bills) and State Government Securities with residual maturity upto one year shall not exceed 30 per cent of the total investment of the FPI in each category. The short-term investment limit shall apply on investments on an end-of-day basis. Provided that the limit shall not apply: (a) If the short-term investments of an FPI consist entirely of investments made on or before April 27, 2018; and	-



Sr. No	Existing Directions	Revised/Additional Directions
	(b) To investments by an FPI made between July 08, 2022 and October 31, 2022 (both dates included).	
Clause (iii) of paragraph 4.3 shall be omitted.		
(v)	Security-wise limit: Investments by FPIs and investments made through the Special Rupee Vostro Account Route, in aggregate, in any Central Government Security shall not exceed 30 per cent of the outstanding stock of the Security.	-
Clause (iv) of paragraph 4.3 shall be omitted.		
(vi)	Concentration limit: Investment in Central Government Securities and State Government Securities by an FPI (including its related FPIs) shall not exceed 15 per cent of prevailing investment limit for each category in case of long-term FPIs and 10 per cent of prevailing investment limit for other FPIs.	-
The phrase " <i>as well as the security-wise limit for investment in Central Government securities</i> " shall be omitted from clause (vi) of paragraph 4.3.		
(vii)	The Clearing Corporation of India Ltd. (CCIL) shall monitor the utilisation of the investment limits for FPI investment in Central Government Securities and State Government Securities as well as the security-wise limit for investment in Central Government Securities.	The Clearing Corporation of India Ltd. (CCIL) shall monitor the utilisation of the investment limits for FPI investment in Central Government Securities and State Government Securities.
Clause (i) of paragraph 6.2 shall be substituted.		
(viii)	All securities included under the FAR on the date of issuance of these Directions	All securities included under the FAR as set out in Annex – 3; all new issuances of



Sr. No	Existing Directions	Revised/Additional Directions
	(as set out in Annex – 3); all new issuances of 5-year, 7-year and 10-year tenors by the Central Government; and any other security that the Reserve Bank may notify in this regard.	5-year, 7-year, 10-year, 15-year, 30-year and 40-year tenors by the Central Government (including new issuances of Sovereign Green Bonds in these tenors); and any other security that the Reserve Bank may notify in this regard.
The proviso to clause (i) of paragraph 7A.4 shall be omitted.		
(ix)	<p>7A.4. Investments in Central Government Securities (including Treasury Bills) other than the ‘specified securities’ included under the FAR shall be in terms of the following:</p> <p>i. The investments shall be subject to the investment limit and stipulations specified for FPI investments under the General Route as set out in paragraph 4.2 and 4.3 of these Directions respectively.</p> <p>Provided that the short-term investment limit, as set out in paragraph 4.3 (ii) of these Directions, shall not apply to investments made under the SRVA route.</p>	<p>7A.4. Investments in Central Government Securities (including Treasury Bills) other than the ‘specified securities’ included under the FAR shall be in terms of the following:</p> <p>i. The investments shall be subject to the investment limit and stipulations specified for FPI investments under the General Route as set out in paragraph 4.2 and 4.3 of these Directions respectively.</p>