



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA



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RBI/2021-22/120

A.P. (DIR Series) Circular No. 16

November 08, 2021

To

All Authorised Persons

Madam / Sir

**Investment by Foreign Portfolio Investors (FPIs) in Debt – Review**

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. A reference is also invited to the following Directions issued by the Reserve Bank:

- a. [A.P. \(DIR Series\) Circular No. 31 dated June 15, 2018](#), as amended from time to time; and
- b. [A.P. \(DIR Series\) Circular No. 34 dated May 24, 2019](#), as amended from time to time.

3. An announcement was made in the Union Budget 2021-22 that debt financing of Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs) by Foreign Portfolio Investors (FPIs) will be enabled by making suitable amendments in the relevant legislations. Accordingly, it has been decided to permit FPIs to invest in debt

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**हिन्दी आसान है, इसका प्रयोग**

**बढ़ाइए**

**चेतावनी:** रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिये किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है।

यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।

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securities issued by InvITs and REITs. Necessary amendments to Foreign Exchange Management (Debt Instruments) Regulations, 2019 ([Notification No. FEMA 396/2019-RB dated October 17, 2019](#)) have been notified on October 21, 2021 and are [annexed](#) to this circular.

4. FPIs can acquire debt securities issued by InvITs and REITs under the Medium-Term Framework (MTF) or the Voluntary Retention Route (VRR). Such investments shall be reckoned within the limits and shall be subject to the terms and conditions for investments by FPIs in debt securities under the respective regulations of MTF and VRR.

5. AD Category-I banks may bring the contents of the circular to the notice of their customers/constituents concerned.

6. 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

(Dimple Bhandia)  
Chief General Manager