Dear Sir/Madam,

Participation of Foreign Portfolio Investors (FPIs) in Government securities on NDS-OM platform

In terms of RBI circular FMRD.DIRD.06/14.03.007/2014-15 dated March 20, 2015, FPIs are currently permitted to transact in the Over-The-Counter (OTC) market for Government securities with T+2 settlement.

2. As announced in paragraph 36 of the First Bi-monthly Monetary Policy Statement for the year 2016-17 on April 5, 2016, it has been decided to allow FPIs to trade Government securities in the secondary market through the primary members of NDS-OM including the Web-module. The primary members of NDS-OM shall be responsible for settlement of the trades, which will be on T+1 basis. This facility will become available with effect from December 1, 2016.

3. The existing OTC route with T+2 settlement shall continue to be available to FPIs and subject to review.

4. All other terms and conditions prescribed in the circular, *ibid*, remain the same.

Yours faithfully,

(T. Rabi Sankar)
Chief General Manager