



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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RBI/2019-20/239

A.P.(DIR Series) Circular No.32

May 22, 2020

To

All Authorised persons

Madam / Sir,

**‘Voluntary Retention Route’ (VRR) for Foreign Portfolio Investors (FPIs) investment in debt - relaxations**

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, and relevant directions issued thereunder. Attention is also invited to [A.P. \(DIR Series\) Circular No. 34 dated May 24, 2019](#) (hereinafter Directions) read with [A.P. \(DIR Series\) Circular No. 19 dated January 23, 2020](#) and the [press release dated January 23, 2020](#) on reopening of allotment of investment limit under the Voluntary Retention Route (VRR).

2. In terms of para 6(a) of Annex to the Directions, Foreign Portfolio Investors (FPIs) shall invest at least 75% of their ‘Committed Portfolio Size’ (CPS) within three months from the date of allotment. In view of the disruptions caused by COVID-19, it has been decided to allow FPIs that have been allotted investment limits, between January 24, 2020 (the date of reopening of allotment of investment limits) and April 30, 2020, an additional time of three months to invest 75% of their CPS. For FPIs availing the additional time, the retention period for the investments (committed by them at the time of allotment of investment limit) would be reset to commence from the date that the FPI invests 75% of CPS.

3. These directions are 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)  
General Manager-in-Charge

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