

Government Securities

i) The limit of USD 15 billion for FII investment in Government securities stands enhanced with immediate effect by USD 5 billion to USD 20 billion. It has also been decided to rationalize the conditions governing the investments under this scheme by making the residual maturity of the instrument at the time of first purchase by FIIs and SEBI registered eligible non- resident investors in IDFs and foreign Central Banks to be at least three years for a sublimit of USD 10 billion. Accordingly, the existing and new sub limits and attendant conditions are summarized as follows :

Existing position		New position		Remarks
Sub limit	Conditions	Sub limit	Conditions	
USD 10 billion	No conditions	USD 10 billion	No conditions	No change
USD 5 billion	Residual maturity of at least 5 years	USD 10 billion (existing sub limit of USD 5 billion plus the enhancement of USD 5 billion)	Residual maturity of the instrument at the time of first purchase by FIIs to be at least three years	Increase in sub limit and change in conditions

Further, in order to broad base the non resident investor base for Government securities, it has also been decided to allow long term investors like Sovereign Wealth Funds (SWFs), Multilateral agencies, endowment funds, insurance funds, pension funds and foreign Central Banks to be registered with SEBI to also invest in Government securities within this enhanced limit of USD 20 billion.