



**भारतीय प्रतिभूति और विनिमय बोर्ड**  
**Securities and Exchange Board of India**

**CIRCULAR**

**IMD/FPIC/CIR/P/2019/62**

**May 08, 2019**

**To**

- 1. All Foreign Portfolio Investors (through their Custodian of Securities)**
- 2. All Custodians**
- 3. The Depositories (NSDL and CDSL)**
- 4. The Stock Exchanges (BSE, NSE and MSEI)**

**Dear Sir / Madam,**

**Subject: Permitting Foreign Portfolio Investors (FPI) to invest in Municipal Bonds**

1. RBI vide A.P. (DIR Series) Circular No. 33 dated April 25, 2019 has permitted FPIs to invest in municipal bonds.
2. It is decided that in accordance with the provisions of Regulation 21(1)(p) of SEBI (Foreign Portfolio Investors) Regulations, 2014, FPIs are, henceforth, permitted to invest in municipal bonds.
3. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992.
4. A copy of this circular is available at the web page "Circulars" on our website [www.sebi.gov.in](http://www.sebi.gov.in). Custodians are requested to bring the contents of this circular to the notice of their FPI clients.

Yours faithfully,

**ACHAL SINGH**  
**General Manager**  
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