

Info Capsule

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RBI REOPENS ALLOTMENT OF INVESTMENT LIMIT UNDER THE REVISED VOLUNTARY RETENTION ROUTE (VRR) FOR INVESTMENTS BY FOREIGN PORTFOLIO INVESTORS (FPIs) ***(Dated 23rd January, 2020)***

The Reserve Bank of India introduced the Voluntary Retention Route (VRR) for Investments by Foreign Portfolio Investors (FPIs) on March 01, 2019. An amount of ₹ 75,000 crores was offered for investment in two tranches so far. As on December 31, 2019, around ₹ 54,300 crores has already been invested under the scheme. Based on the feedback received, and in consultation with the Government, the Bank has made certain amendments in the scheme to increase its operational flexibility. The amendments have been notified vide A.P. (DIR Series) Circular No. 19 dated January 23, 2020.

The revised VRR scheme shall be open for allotment from January 24, 2020 as per the following details:-

- a. The investment limit under VRR has been increased to **₹ 1,50,000 crores**.
- b. The investment limit available for fresh allotment shall accordingly be **₹ 90,630 crores** (net of extant allotments and adjustments); and shall be allotted under the VRR–Combined category.
- c. The minimum retention period shall be **three years**.
- d. Investment limits shall be available **‘on tap’** and allotted on **‘first come, first served’** basis.
- e. The ‘tap’ shall be kept open till the limit is fully allotted.
- f. FPIs may apply for investment limits online to Clearing Corporation of India Ltd. (CCIL) through their respective custodians.
- g. CCIL will separately notify the operational details of application process and allotment.

The circular is available at: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11798&Mode=0>