



## RBI extends time for settlement of Government Securities by Foreign Portfolio Investors (FPI's) to T+2 basis

The Reserve Bank of India (RBI) has issued Notification No. RBI/2017-18/97 FMRD.DIRD.05/14.03.007/2017-18 dated 16 November 2017 amending the settlement and reporting conditions of Over-the-Counter (OTC) Government Securities transactions. It is summarized as follows:-

Conditions	Existing Framework	Revised Framework
Settlement Period	FPIs to settle OTC secondary market transactions in Government Securities <b>on Transaction date (T) +2</b> basis	FPIs to settle OTC secondary market transactions in Government Securities either <b>on T+1 or on T+2</b> basis
Reporting of Trade	<ul style="list-style-type: none"> <li>The custodian bank of FPI <b>selling</b> the security or the counterparty entity selling the security to the FPI had to report <b>the trade on the same day</b> within the prescribed reporting time.</li> <li>Custodian bank of the FPI <b>buying</b> the security could report the trade <b>till next business day</b> upto prescribed reporting time.</li> </ul>	The custodian banks have to report <b>buy and sale</b> trades on the <b>trade date itself</b> .

All other existing conditions for settlement of transactions in Government Securities remain unchanged. The above directions shall be applicable from 20 November 2017.

Source: [www.rbi.org.in](http://www.rbi.org.in)

[www.kpmg.com/in](http://www.kpmg.com/in)

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