

CIRCULAR

SEBI/HO/AFD/AFD-POD-2/P/CIR/2023/138

August 07, 2023

To,

All Foreign Portfolio Investors ("FPIs")

All Designated Depository Participants ("DDPs")/Custodians

Madam/Sir

Subject: Transactions in Corporate Bonds through Request for Quote (RFQ) platform by FPIs

1. SEBI has been taking steps to increase the liquidity on RFQ platform of stock exchanges and to enhance the transparency and disclosure pertaining to trading in secondary market in corporate bonds. Certain stipulations have been prescribed for transactions by SEBI registered intermediaries on RFQ platform.
2. Considering the above and with a view to increase liquidity on RFQ platform vis-à-vis trading in Corporate Bonds by FPIs., it is decided that FPIs shall undertake at least 10% of their total secondary market trades in Corporate Bonds by value by placing/seeking quotes on the RFQ platform of stock exchanges, on a quarterly basis.
3. The aforesaid requirement shall come into force with effect from October 01, 2023.
4. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 20(5) and Regulation 44 of SEBI (Foreign Portfolio Investors)

Regulations, 2019 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

5. The circular is available on SEBI website at www.sebi.gov.in under the link “LEGAL > Circulars”.

Yours faithfully,

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