

GRC BULLETIN

OCTOBER - 2025, VOLUME: I

RBI

Master Direction: Reserve Bank of India (Non-Resident
Investment in Debt Instruments) Directions, 2025

[Click Here to Read Full Bulletin](#)

#

CORPORATE
LAWS

Authority

Reserve Bank of India

Circular Date

Oct 03, 2025

Circular Number

RBI/2024-25/126
FMRD.FMD.No.10/14.
01.006/2024-25

Effective Date

Oct 03, 2025

RBI – MASTER DIRECTION: RESERVE
BANK OF INDIA (NON-RESIDENT
INVESTMENT IN DEBT INSTRUMENTS)
DIRECTIONS, 2025

Applicability : All non-resident investors (Individuals, corporates, institutions) intending to invest in debt instruments in India under the Automatic Route or Approval Route

Introduction

The Reserve Bank of India (RBI) has released a new **Master Direction** for 2025 governing **Non-Resident Investment in Debt Instruments**. This updated direction consolidates and revises the rules, guidelines, and procedures under which non-resident investors may invest in various debt instruments in India. The aim is to streamline the regulatory framework, enhance clarity, and facilitate greater foreign investment in debt markets under well-defined conditions.

Basic Information & Key Changes

The 2025 Master Direction covers a broad range of debt instruments such as government securities, corporate bonds, non-convertible debentures, and other permissible debt securities. Some of the salient features and revisions include:

- Clarification of **eligibility criteria** for non-resident investors, including institutional and individual non-residents.
- Specification of **investment routes** (Automatic Route vs Approval Route) and the conditions under each route.
- Limits and ceilings on investments by non-residents, possibly including sectoral caps or thresholds.
- Requirements for **reporting, registration, and compliance** by non-residents as well as intermediaries (such as custodians or designated repo participants).
- Conditions for **repatriation** of principal and interest, transfer, redemption, or sale of debt instruments by non-residents.
- Guidelines on **withholding tax**, foreign exchange, and documentation required for investments and repatriation.
- Any transitional provisions for existing investments made under earlier directions.

These updates are meant to bring clarity to the regulatory regime, reduce ambiguity, and provide a more predictable framework for non-resident participation in India's debt markets.



CORPORATE LAWS

Authority

Reserve Bank of India

Circular Date

Oct 03, 2025

Circular Number

RBI/2024-25/126
FMRD.FMD.No.10/14.
01.006/2024-25

Effective Date

Oct 03, 2025

Why It Is Issued & Benefits

Why Issued: The Master Direction is issued to **codify and unify** previous notifications, circulars, and instructions related to non-resident investment in debt, and to reflect changes in market practices, international capital flows, and evolving regulatory norms. It ensures that investors, regulators, and intermediaries operate on a common, current set of rules.

Expected Benefits:

- Enhanced **regulatory clarity** for non-resident investors, reducing compliance uncertainty.
- Easier **access to Indian debt markets** for foreign investors under a transparent framework.
- Better alignment with global best practices in cross-border investment regulation.
- Strengthened investor confidence, potentially leading to increased inflows into Indian debt instruments.
- More efficient monitoring and reporting mechanisms for the RBI and financial intermediaries.

Conclusion

The **RBI Master Direction (2025) – Non-Resident Investment in Debt Instruments** marks a significant step in refining India's regulatory framework for foreign investment in debt. By consolidating rules, simplifying routes, and clarifying compliance obligations, it aims to encourage responsible and greater participation by non-residents in Indian debt markets. Stakeholders—investors, intermediaries, and regulatory bodies—must review the updated direction carefully and align their processes accordingly to leverage the opportunities under the revised regime while ensuring full compliance.

SOURCE: [Click Here for more details](#)



Head Quarters:

Vasudha, 2nd Floor, No. 2, 38th Main Rd,
Rose Garden, JP Nagar Phase 6, J. P. Nagar,
Bengaluru, Karnataka 560078

Ph: 9900929400

Email: hello@ricago.com

Website: www.ricago.com

Subscribe to the Newsletter:

Subscribe

Disclaimer: This newsletter is prepared by Clonect Solutions Pvt. Ltd. and contains information about the statutory compliance updates for general information only. No claim is made as to warrant or represent that the information contained in this document is correct. Also, it should not be considered as legal or financial advice and under no circumstances Clonect Solutions Pvt. Ltd. shall be held responsible for any kind of damages arising there to.

#Trusted Compliance Partner