



*Nurturing Markets,
Widening Horizons*



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TO ALL MEMBERS/STAKEHOLDERS.

Sub: BUYBACK of CPs

We refer to extant RBI Master Directions on Commercial Paper vide RBI Circular No RBI/2017-18/43 dated 10.08.2017.

On Buyback of CPs, Reserve Bank Commercial Paper Directions, 2017 dated Aug 10, 2017 provide as below:

Para 8: Buyback of CP

- a. The buyback of a CP, in full or part, shall be at the prevailing market price.
- b. The buyback offer should be extended to all investors in the CP issue. The terms of the buyback should be identical for all investors in the issue.
- c. The buyback offer may not be made before 30 days from the date of issue.
- d. CPs bought back shall stand extinguished.

2. In the event a Buyback of CP issued in multiple tranches, RBI has further clarified that the extant RBI CP Directions permit buyback of a tranche after 30 days from issuance of that tranche.

Members/Stakeholders/IPAs are requested to be guided based on the above clarification.

These Circular forms an integral part of extant Commercial Paper Operational Guidelines issued by FIMMDA and FIMMDA Handbook of Market Practices.

G. Ravindranath

Chief Executive Officer