



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
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IDMD.PCD. 4085 /14.03.04/2011-12

April 23, 2012

The Chairman and Managing Directors/  
Chief Executive Officers of All India Financial Institutions

Dear Sir/Madam,

**Guidelines on Credit Default Swaps (CDS) for Corporate Bonds-Permitting All India Financial Institutions**

A reference is invited to our circular [IDMD.PCD.No.5053/14.03.04/2010-11 dated May 23, 2011](#) enclosing the Guidelines on Credit Default Swaps for corporate bonds. As indicated in paragraph 2.1.1 of the guidelines, commercial banks, PDs, NBFCs, mutual funds, insurance companies, housing finance companies, provident funds, listed corporates and foreign institutional investors (FIIs) are permitted as *users* in the CDS market.

2. It has now been decided to permit All India Financial Institutions, namely, Export Import Bank of India (EXIM), National Bank for Agriculture and Rural Development (NABARD), National Housing Bank (NHB) and Small Industries Development Bank of India (SIDBI) to participate in the CDS market as *user* to hedge the underlying credit risk in corporate bonds in their portfolio.

3. All other terms and conditions of the circulars IDMD.PCD.No. 5053 /14.03.04/2010-11 dated May 23, 2011 and [IDMD.PCD.2302/14.03.04/2011-12 dated November 30, 2011](#) shall remain unchanged.

Yours faithfully,

(K K Vohra)  
Chief General Manager