



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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November 05, 2012

All Scheduled Commercial Banks
(excluding RRBs)

Dear Sir/Madam,

**Corporate Bond Market -Permission to banks for membership
in SEBI approved Stock Exchanges**

With a view to developing the Corporate Bond Market in India, several initiatives have been taken. These include measures to impart liquidity by permitting repo transactions in corporate bonds, increase transparency by capturing information related to trading in corporate bonds including repo transactions through the authorised reporting platforms and mandatory settlement of all trades in corporate bonds through the clearing corporations and facilitating risk transfers by introduction of Credit Default Swaps (CDS).

2. In order to further enhance transparency, it has been decided to permit Scheduled Commercial Banks (SCBs) to become members of SEBI approved stock exchanges for the purpose of undertaking proprietary transactions in the corporate bond market. While doing so, SCBs should satisfy the membership criteria of the stock exchanges and also comply with the regulatory norms laid down by SEBI and the respective stock exchanges.

Yours faithfully

(Sudha Damodar)
Chief General Manager

Department of Banking Operations and Development, Central Office, 13th floor, Shahid Bhagat Singh Marg, Fort, Mumbai
400 001

Tel No: 91-22-22661602 Fax No: 91-22-22701240 Email ID: cgmicdbodco@rbi.org.in