

RBI issues scheme to market govt securities to retail investors

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Retail investors can register under the scheme and maintain a Retail Direct Gilt account, if they have rupee savings bank account in India, PAN, and any officially valid document for KYC purpose, valid email id, and registered mobile number.

Reserve Bank of India (RBI) has finally issued the scheme to bring investments from individual investors into government securities. The 'RBI Retail Direct' scheme will work as a one-stop solution for retail investors interested in government securities.

As part of the central bank's ongoing efforts to increase retail participation in government securities, the 'RBI Retail Direct' facility was announced in February 2021 for improving ease of access by retail investors through online access to the government securities market – both primary and secondary - along with the facility to open their gilt securities account ('Retail Direct') with the RBI.

Under this scheme, retail investors can open and maintain a Retail Direct Gilt (RDG) account with the RBI free of cost through the dedicated online portal for this scheme. However, they will have to pay a payment gateway fee, as applicable.

Registered investors could also use the online portal to access to primary issuance of government securities, as well as access to NDS-OM. NDS-OM refers to RBI's screen-based, anonymous electronic order matching system for trading in government securities in the secondary market.

The date of commencement of the scheme will be announced at a later date, RBI said in a statement on Monday.

"The scheme of Reserve Bank of India (RBI) Retail Direct has been formulated as a one-stop solution to facilitate investment in government securities by individual investors," it said.

Retail investors need a rupee savings bank account maintained in India, Permanent Account Number (PAN) or any officially valid document for KYC purposes, a valid email id and mobile number to register under the Retail Direct scheme and maintain a RDG account. Non-resident retail investors, eligible to invest in government securities under Foreign Exchange Management Act, 1999, can also avail of the scheme.

The RDG account can be opened singly or jointly with another retail investor who meets the eligibility criteria, the RBI clarified.

Government securities, for the purpose of the RBI Retail Direct scheme, mean securities issued in form of stock by credit to SGL/CSGL account maintained with RBI. These include Government of India treasury bills, Government of India dated securities, sovereign gold bonds (SGBs), and state development loans (SDLs).

On investor's services, the RBI said registered investors can use the online portal for account statement, nomination facility, pledge/lien, gift transactions and grievance redressal.