

PM MODI TO LAUNCH RBI DIRECT SCHEME FOR RETAIL INVESTORS: 5 THINGS TO KNOW

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Banking, NPAs and RBI

In order to increase retail participation in government securities, Prime Minister Narendra Modi will launch the 'RBI Retail Direct Scheme' for investors on Friday, November 12. Retail investors can open and maintain their government securities account (gilt accounts) with the [Reserve Bank of India \(RBI\)](#) free of cost, a circular said.

The 'RBI Retail Direct' facility was announced in February this year 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.

RBI Governor Shaktikanta Das had first flagged this initiative in a February policy review while calling it a "major structural reform". In July, the central bank said investors will have access to bidding in primary auctions as well as the central bank's trading platform for government securities called Negotiated Dealing System-Order Matching Segment, or NDS-OM.

The 'RBI Retail Direct' scheme is a one-stop solution to facilitate investment in Government Securities by individual investors. Under the scheme, retail investors (individuals) will have the facility to open and maintain the 'Retail Direct Gilt Account' (RDG Account) with RBI.

RDG Account can be opened through an 'Online portal' provided for the purpose of the scheme. The 'Online portal' will also give the registered users the following facilities such as access to primary issuance of Government securities and access to NDS-OM. NDS-OM means RBI's screen based, anonymous electronic order matching system for trading in government securities in the secondary market.

The launch comes as a move to open up India's sovereign bond market to individual buyers as it seeks to widen the investor base.

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