

RBI Implements STRIPS for State Government Securities

The Reserve Bank of India (RBI) vide its **Notification RBI/2025-26/54 IDMD.RD.S390/10.18.060/2025-26**, has introduced a facility for the Separate Trading of Registered Interest and Principal of Securities (STRIPS) for State Government Securities (SGS). This initiative, effective June 12, 2025, expands upon the existing STRIPS facility available for Central Government dated securities since 2010.

The decision follows consultations with individual State Governments/Union Territories and feedback from market participants. Eligible SGS for stripping or reconstitution must have a residual maturity of up to 14 years, a minimum outstanding value of Rs. 1,000 crores as of the stripping date, be eligible for Statutory Liquidity Ratio (SLR) requirements, and be transferable.

Market participants holding SGL accounts with the RBI can submit requests directly through the e-Kuber system, while Gilt Account Holders will process requests via their custodians. The ISIN and nomenclature for SGS STRIPS will align with those used for Central Government dated securities, and all relevant terms and conditions from previous RBI notifications and circulars will apply.

Link

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NT54849E13D0F877484392E5D74AD575A317.PDF>