



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

CIR/MRD/DP/23/2014

July 24, 2014

To

All Stock Exchanges and Clearing Corporations.

Dear Sir / Madam,

**Sub: Clarification on position limits of domestic institutional investors for
currency derivatives contracts**

SEBI vide circular no. CIR/MRD/DP/20/2014 dated June 20, 2014 had revised position limits for the market participants in the permitted currency pairs.

2. In this regard, it is clarified that domestic institutional investors shall have position limits as mentioned at para 12.(a) of the SEBI circular CIR/MRD/DP/20/2014 dated June 20, 2014, subject to such domestic institutional investors being permitted by their respective sectoral regulators to participate in the currency derivatives segment.

3. It is further clarified that banks, whether participating in the currency derivatives segment as clients or as stock brokers, shall be guided by the provisions mentioned at para 3 of the RBI A.P. (DIR Series) Circular no. 147 dated June 20, 2014 while trading in the currency derivatives segment.

4. Stock Exchanges and Clearing Corporations are directed to:

- (a) take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations.
- (b) bring the provisions of this circular to the notice of the stock brokers / clearing members and also disseminate the same on their website;
- (c) communicate to SEBI the status of implementation of the provisions of this circular.

5. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Maninder Cheema
Deputy General Manager
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