भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

CIR/MRD/DP/02/2016 January 15, 2016

To

All Stock Exchanges.

Dear Sir / Madam,

Subject: Revised Position Limits for Currency Derivatives Contracts

With a view to maintain orderly conditions in the domestic foreign exchange market and based on the recommendation from RBI, it has been decided to enhance the gross open position limits for bank stock brokers as authorized by RBI.

2. Accordingly, it has been decided to revise the position limit per stock exchange for bank stock brokers with respect to the currency pair USD-INR. Therefore, the para 12 (a) of the SEBI Circular No. CIR/MRD/DP/20/2014 dated June 20, 2014, as modified vide SEBI circulars CIR/MRD/DP/23/2014 dated July 24, 2014 and CIR/MRD/DP/30/2014 dated October 22, 2014 stand modified as under:

Position limits for stock brokers (bank and non-bank), Category I & II FPIs and Domestic Institutional investors

Currency Pair	Position Limits
USD-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or USD 100 million, whichever is higher. However, for bank stock brokers, as authorized by RBI, the gross open position across all contracts shall not exceed 15% of the total open interest or USD 1 billion, whichever is higher.

3. RBI shall keep SEBI and the stock exchanges informed about the bank stock brokers that are authorised to have enhanced position limits as per para 2 above.

4. All other conditions as specified vide earlier SEBI circulars shall remain unchanged.

5. Stock exchanges are directed to:

   i. take necessary steps and put in place necessary systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations.

   ii. bring the provisions of this circular to the notice of the stock brokers and also disseminate the same on its website, and

   iii. communicate to SEBI the status of implementation of the provisions of this circular.

6. 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,

Susanta Kumar Das
Deputy General Manager
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