



CIRCULAR

SEBI/HO/MRD/DRMNP/CIR/P/2017/43

May 17, 2017

All recognized Stock Exchanges and Clearing Corporations in International Financial Services Centres

Dear Sir/Madam

Position limits for cross-currency futures and options contracts (not involving Indian Rupee) on exchanges in International Financial Services Centres (IFSC)

Securities and Exchange Board of India (International Financial Services Centres) Guidelines, 2015 were notified on March 27, 2015, which came into force on April 01, 2015 wherein currency derivatives were specified as permissible securities in which dealing may be permitted by stock exchanges in IFSC.

2. It has been decided that for cross-currency futures and options contracts (not involving Indian Rupee), the position limits for eligible market participants, per currency pair per stock exchange, shall be as follows:

- a) **Trading Members (positions on proprietary basis as well as clients' position)** - Gross open position across all contracts not to exceed 15% of the total open interest or USD 1 billion equivalent, whichever is higher
- b) **Institutional Investors** - Gross open position across all contracts not to exceed 15% of the total open interest or USD 1 billion equivalent, whichever is higher
- c) **Eligible Foreign Investors (as referred to in SEBI Circular IMD/HO/FPIC/CIR/P/2017/003 dated January 04, 2017)** – Gross open position across all contracts not to exceed 15% of the total open interest or USD 1 billion equivalent, whichever is higher
- d) **Other Clients** – Gross open position across all contracts not to exceed 6% of the total open interest or USD 100 million equivalent, whichever is higher.

3. Stock exchanges shall impose appropriate penalties for violation of position limits by eligible market participants.

4. 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

(Sanjay Purao)
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