

[A. P. (DIR Series) Circular No. 148 dated June 20, 2014]

Currency Futures (Reserve Bank) (Amendment) Directions, 2014
Notification No. FED. 1 /ED(GP)-2014 dated June 10, 2014

The Reserve Bank of India having considered necessary in public interest and to regulate the financial system of the country to its advantage, in exercise of its powers conferred by section 45W of the Reserve Bank of India Act, 1934 and of all the powers enabling it in this behalf, hereby gives the following directions to all the persons dealing in currency futures.

1. Short title and commencement of the directions

These directions may be called the Currency Futures (Reserve Bank) Amendment Directions, 2014 and they shall come into force with effect from June 10, 2014.

2. Amendment to Currency Futures (Reserve Bank) Directions, 2008

(i) In para 3, for sub-para (ii), the following shall be substituted, namely:

“Persons resident in India, as defined in section 2 (v) of Foreign Exchange Management Act, 1999 (Act 42 of 1999) may purchase or sell currency futures to hedge an exposure to foreign exchange rate risk or otherwise.”

(ii) In para. 3, after sub-para (ii), the following new sub-para shall be added, namely:

“(iii) Persons resident outside India, as defined in section 2 (w) of Foreign Exchange Management Act, 1999 (Act 42 of 1999), who are eligible to invest in securities as laid down in Schedules 2, 5, 7 and 8 of Foreign Exchange Management (Transfer or Issue of Security by a person resident outside India) Regulations, 2000 (FEMA 20/2000-RB dated May 3, 2000 (GSR 406 (E) dated May 3, 2000)) as amended from time to time, may purchase or sell currency futures to hedge an exposure to foreign exchange rate risk or otherwise, subject to such conditions as Reserve Bank of India may stipulate.

(i) (iii) In para. 5, for sub-para (i), the following shall be substituted:

“ (i) No person other than as mentioned in paragraphs 3 (ii) and 3(iii) of these Directions shall participate in the currency futures market.”

(G Padmanabhan)
Executive Director

[A. P. (DIR Series) Circular No. 148 dated June 20, 2014]

**Exchange Traded Currency Options (Reserve Bank) (Amendment) Directions, 2014
Notification No. FED.2 / ED (GP) - 2014 dated June 10, 2014**

The Reserve Bank of India having considered necessary in public interest and to regulate the financial system of the country to its advantage, in exercise of its powers conferred by section 45W of the Reserve Bank of India Act, 1934 and of all the powers enabling it in this behalf, hereby gives the following directions to all the persons dealing in exchange traded currency options.

1. Short title and commencement of the directions

These directions may be called the Exchange Traded Currency Options (Reserve Bank) (Amendment) Directions, 2014 and they shall come into force with effect from June 10, 2014.

2. Amendment to the Exchange Traded Currency Options (Reserve Bank) Directions, 2010

(ii) In para 3, for sub-para (ii), the following shall be substituted, namely:

“Persons resident in India as defined in section 2(v) of Foreign Exchange Management Act, 1999 (Act 42 of 1999) may purchase or sell exchange traded currency options to hedge an exposure to foreign exchange rate risk or otherwise.”

(iii) In para. 3, after sub-para (ii), the following new sub-para shall be added, namely:

“(iii) Persons resident outside India, as defined in section 2 (w) of Foreign Exchange Management Act, 1999 (Act 42 of 1999), who are eligible to invest in securities as laid down in Schedules 2, 5, 7 and 8 of Foreign Exchange Management (Transfer or Issue of Security by a person resident outside India) Regulations, 2000 (FEMA 20/2000-RB dated May 3, 2000 (GSR 406 (E) dated May 3, 2000)) as amended from time to time, may purchase or sell exchange traded currency options to hedge foreign exchange rate risk or otherwise, subject to such conditions as Reserve Bank of India may stipulate.”

(iv) In para. 5, for sub-para (i), the following shall be substituted:

“(i) No person other than as mentioned in sub-paragraphs (ii) and (iii) of paragraph 3 of these Directions shall participate in the exchange traded currency options market.”

**(G Padmanabhan)
Executive Director**