

Annex

(i) Authorised Dealers (ADs) Category 1 banks will be the eligible entities to participate in the auction.

(ii) The swap will be in the nature of a simple sell/buy foreign exchange swap from the Reserve Bank side. A bank shall buy US Dollars from the Reserve Bank and simultaneously agree to sell the same amount of US Dollars at the end of the swap period.

(iii) The auction cut-off will be based on the premium amount in paisa terms up to two decimal points. The market participants will be required to place their bids with the premium that they are willing to receive from the Reserve Bank for the tenor of the swap, expressed in paisa terms up to two decimal places. Successful bids will get accepted at their respective quoted premium.

(iv) Once the auction window is closed, all the bids will be arranged in ascending order of the swap premium quoted and the cut-off will be arrived at the premium corresponding to the notified US Dollar amount of the auction. Successful bidders will be those who have placed their bids below or at the cut-off premium. All bids higher than the cut-off premium will be rejected.

(v) There will be provision of pro-rata allotment should there be more than one successful bid at the cut-off premium.

(vi) The minimum bid size will be USD 10 million and in multiples of USD 1 million thereafter. The eligible participants can also submit multiple bids. However, the aggregate amount of bids submitted by a single eligible entity should not exceed the notified amount of auction.

(vii) In the first leg of the transaction, the bank will buy US Dollars from the Reserve Bank at FBIL Reference Rate of the auction date. The settlement of the first leg of the swap will take place on spot basis from the date of transaction and the Reserve Bank will debit the Rupee funds from the current account of the successful bidder and the bidder will receive US Dollars into its nostro account. In the reverse leg of the swap transaction, US Dollars will have to be returned to the Reserve Bank, to get the Rupee funds back including the swap premium.

(viii) The banks desirous of participating in the proposed auction may furnish / update their settlement details to RBI back office (Ph:022-22611069; [E-mail](#)) latest by the preceding day of the auction.

(ix) The banks will be exempted from the ISDA requirements for the purpose of these swaps.

(x) Swaps under the auction, once undertaken with the Reserve Bank, cannot be cancelled and no request for any modification or revision to the same will be entertained.

(xi) The auction window will remain open between 9.30 AM to 11.00 AM on the date of auction. The result of the auction will be announced on the same day.

(xii) The eligible participants are required to submit their bids through email only on their letterhead (signed and scanned) in the prescribed form along with the excel sheet provided therein within the auction window to Financial Markets Operations Department (Ph: 022-22634924 / 22634925 / 22634983). The prescribed form can be obtained from the RBI website (https://rbi.org.in/Scripts/BS_ViewForms.aspx). No Request for extension of auction window will be entertained.

(xiii) RBI reserves the right to:

- Decide on the quantum of US Dollar amount to be sold in the swap auction.
- Accept bids for less than the aggregate notified US Dollar amount.
- Accept marginally higher than the notified US Dollar amount due to rounding-off effects.
- Accept or reject any or all the bids either wholly or partially without assigning any reason.
