



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
www.rbi.org.in

RBI/2014-15/527

A.P.(DIR Series) Circular No. 91

March 31, 2015

To All Category - I Authorised Dealer banks

Madam / Sir,

**Risk Management and Inter-bank Dealings: Revised Position Limits for Foreign Portfolio Investors (FPIs) in the Exchange Traded Currency Derivatives (ETCD) market**

Attention of Authorized Dealers Category – I (AD Category – I) banks is invited to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 3, 2000 ([Notification No. FEMA. 25/RB-2000 dated May 3, 2000](#)), as amended from time to time and [A.P. \(DIR Series\) Circular 148 dated June 20, 2014](#) relating to participation of Foreign Portfolio Investors (FPIs) in the ETCD market.

**Increase in limits without establishing underlying exposure**

2. Presently, FPIs can take position – both long (bought) as well as short(sold) – in foreign currency up to USD 10 million or equivalent per exchange . As a measure of further liberalisation, it has now been decided to increase the limit (long as well as short) for FPIs in USD-INR pair upto USD 15 million per exchange. In addition, FPIs shall be allowed to take long (bought) as well as short (sold) positions in EUR-INR, GBP-INR and JPY-INR pairs, all put together, upto USD 5 million equivalent per exchange. These limits shall be monitored by the exchanges and breaches, if any, may be reported. For the convenience of monitoring, exchanges may prescribe fixed limits for the contracts in currencies other than USD such that these limits are within the equivalent of USD 5 million.

3. All other operational guidelines, terms and conditions shall remain unchanged.

4. This circular has been issued under Sections 10 (4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(R Subramanian)  
Chief General Manager