

DEPARTMENT: CURRENCY DERIVATIVES

Download Ref No: NCL/CD/42617

Date : November 07, 2019

Circular Ref. No: 072/2019

All Members

Sub: Position Limits for Foreign Portfolio Investors

This is with reference to SEBI Circular no IMD/FPI&C/CIR/P/2019/124 dated November 05, 2019 and in partial modification of Item 9 pertaining to Position Limits of our consolidated circular no.001/2019 (Download Ref No: NCL/CD/39834) dated January 01, 2019.

The revised position limits for various category of FPIs in stock derivative and index derivatives shall be as under:

Product	FPI Category I and FPI Category II (other than individuals, family offices and corporates)	FPI Category II (individuals, family offices and corporates)
USD-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or USD 100 million, whichever is higher.	Gross open position across all contracts shall not exceed 6% of the total open interest or USD 10 million, whichever is higher
EUR-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or EUR 50 million, whichever is higher.	Gross open position across all contracts shall not exceed 6% of the total open interest or EUR 5 million, whichever is higher
GBP-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or GBP 50 million, whichever is higher.	Gross open position across all contracts shall not exceed 6% of the total open interest or GBP 5 million, whichever is higher
JPY-INR	Gross open position across all contracts shall not exceed 15% of the total open interest or JPY 2000 million, whichever is higher.	Gross open position across all contracts shall not exceed 6% of the total open interest or JPY 200 million, whichever is higher
EUR-USD	Gross open position across all contracts shall not exceed 15% of the total open interest or EUR 100 million, whichever is higher.	Gross open position across all contracts shall not exceed 6% of the total open interest or EUR 10 million, whichever is higher
GBP-USD	Gross open position across all contracts shall not exceed 15% of the total open interest or GBP 100 million, whichever is higher.	Gross open position across all contracts shall not exceed 6% of the total open interest or GBP 10 million, whichever is higher.
USD-JPY	Gross open position across all contracts shall not exceed 15% of the total open interest or USD 100 million, whichever is higher.	Gross open position across all contracts shall not exceed 6% of the total open interest or USD 10 million, whichever is higher.

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Limited)

- In case of positions taken to hedge underlying exposure, the position limit linked to open interest shall be applicable at the time of opening a position. Such positions shall not be required to be unwound in the event a drop of total open interest in a currency pair at a stock exchange. However, participants shall not be allowed to increase their existing positions or create new positions in the currency pair till they comply with the position limits.
- FPIs may take long or short positions without having to establish existence of underlying exposure, upto a single limit of USD 100 million equivalent, across all currency pairs involving INR, put together, and combined across all the stock exchanges
- FPIs shall ensure that their short positions at all stock exchanges across all contracts in FCY-INR pairs do not exceed USD 100 million.
- To take long positions in excess of USD 100 million in all contracts in FCY-INR pairs, FPIs shall be required to have an underlying exposure in Indian debt or equity securities, including units of equity/debt mutual funds
- The Clearing Corporation shall provide details on the FPI's day-end and day's highest open positions at end of day to the custodians of the FPI.
- The custodian of the FPI shall aggregate the positions taken by the FPI on the currency derivatives segments of all the stock exchanges and forward such details to the designated bank of the FPI. The custodian of securities of the FPI shall also provide the market value of applicable underlying exposure of the FPI to the designated bank of the FPI.
- The onus of complying with the above provisions shall rest with the FPI and in case of any contravention, the FPI shall render itself liable to any action that may be warranted by RBI as per the provisions of Foreign Exchange Management Act, 1999 and Regulations, Directions, etc. framed thereunder. These limits shall be monitored by stock exchanges and/or clearing corporations and breaches, if any, shall be reported to RBI.

A file providing details of FPIs along with applicable category shall be downloaded on extranet (/common/clearing) on a daily basis. The format of the file shall be as per Annexure 1.

The above mentioned revised limits shall be applicable from December 02, 2019.

Members are requested to take note of above

For and on behalf of
NSE Clearing Limited
(Formerly known as National Securities Clearing Corporation Limited)

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Annexure- 1

File Name – CP_DDMMYYYYY.csv

File Path - /common/clearing

Particulars	Description
CPCODE	CP Code allotted
CATEGORY	FPI Category
MARGINABLE*	Y or N
DEBARRED	Y or N
ONLY SELL ALLOWED	Y or N

* CP Codes with Category II and marginable indicator as Y shall be FPI II with sub-category as individuals, family offices and corporates