

CIRCULAR

SEBI/HO/MRD2_DCAP/P/CIR/2021/626

September 07, 2021

All Recognized Stock Exchanges

All Recognized Clearing Corporations

All Depositories

All Designated Depository Participants (DDPs) through Depositories

All Custodians

All Foreign Portfolio Investors (FPI) through their DDPs

Madam/Sir,

Subject – Position Limits for Currency Derivatives Contracts

1. SEBI *vide* circular [CIR/MRD/DP/20/2014](#) dated June 20, 2014 *inter alia* prescribed the position limits in permitted currency pairs. Based on feedback received from Stock Exchanges/ Clearing Corporations and upon a review of the same, it has been decided to revise the client level position limits, per stock exchange, as follows:

Currency Pair	Position limits
USD-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or USD 20 million, whichever is higher.
EUR-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or EUR 10 million, whichever is higher.
GBP-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or GBP 10 million, whichever is higher.
JPY-INR	Gross open position across all contracts shall not exceed 6% of the total open interest or JPY 400 million, whichever is higher.

2. The revised position limits shall also apply to Non Resident Indians (NRIs) and Category II FPIs that are individuals, family offices, and corporates. The circular(s) [SEBI/HO/MRD/DP/CIR/P/2017/63](#) dated June 28, 2017 and [CIR/MRD/DP/20/2014](#) dated June 20, 2014 read with SEBI circular [IMD/FPI&C/CIR/P/2019/124](#) dated November 05, 2019 shall stand modified to the extent mentioned above.

3. The position limits for Category I FPIs and Category II FPIs (other than individuals, family offices, and corporates) shall continue to remain the same as specified *vide* SEBI circular [CIR/MRD/DP/20/2014](#) dated June 20, 2014 read with SEBI circular [IMD/FPI&C/CIR/P/2019/124](#) dated November 05, 2019. All other conditions as specified *vide* earlier SEBI circulars shall also remain unchanged.
4. Stock Exchanges/ Clearing Corporations may specify additional safeguards/ conditions, as deemed fit, to manage risk and to ensure orderly trading.
5. The provisions of this circular shall come into force with immediate effect.
6. 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.
7. This circular is available on SEBI website at www.sebi.gov.in under the category "Circulars".

Yours faithfully,

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