



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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## RBI relaxes Position Limits for Domestic Participants and FPIs

The Reserve Bank of India has issued guidelines for providing greater flexibility to both Foreign Portfolio Investors (FPIs) and domestic participants in the exchange traded currency derivatives (ETCD) market.

The key relaxations are:

- (i) The limit for domestic entities and FPIs to take foreign currency positions in the USD-INR pair on ETCD market without having to establish the existence of any underlying exposure has been increased to USD 15 million per exchange. In addition, there will be an aggregate limit of USD 5 million equivalent per exchange for EUR-INR, GBP-INR and JPY-INR pairs.
- (ii) The limit for domestic importers of goods and services to take hedging positions in ETCD markets has been increased from 50 per cent to 100 per cent of the higher of the (i) average of their last three years' imports turnover or (ii) the previous year's turnover.
- (iii) Documentation and other administrative requirements for hedging on the ETCD markets have also been rationalised.

Based on the experience, the Reserve Bank will decide on participation of Non-Resident Indian (NRIs) in the ETCD markets in future.

The related circulars No. [A.P. \(DIR Series\) No.90 dated March 31, 2015](#) and [A.P. \(DIR Series\) No.91 dated March 31, 2015](#) with the above announcements have been published on Reserve Bank's website today.

The Reserve Bank had, on February 3, 2015, announced the relaxations as part of its [Sixth Bi-Monthly Monetary Policy Statement, 2014-15](#).