



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

RBI/2011-12/569

A.P. (DIR Series) Circular No. 129

May 21, 2012

To,

All Authorised Dealer Category - I Banks

Madam / Sir,

Risk Management and Inter Bank Dealings

Attention of Authorized Dealers Category – I (AD Category – I) banks is invited to para 2 (v) of the [A.P.\(DIR Series\) Circular No.58 dated December 15, 2011](#) and the subsequent clarifications issued by the Foreign Exchange Dealers' Association of India(FEDAI) vide its circular SPL-58/Risk Mgmt./2011 dated 21st December 2011 on the Net Overnight Open Position Limit (NOOPL) of the Authorised Dealers.

2. In view of the recent developments in the foreign exchange market, until further review, it has been decided as under:

- i. The current NOOPL of the banks as applicable to the positions involving Rupee as one of the currencies shall not include the positions undertaken in the Currency Futures/Options segment in the exchanges.
- ii. The positions in the exchanges (both Futures and Options) cannot be netted/offset by undertaking positions in the OTC market and vice-versa. The positions initiated in the exchanges shall be liquidated/closed in the exchanges only.
- iii. The position limit for the trading member AD Category-I bank in the exchanges for trading Currency Futures and Options shall be US\$ 100 million or 15 per cent of the outstanding open interest, whichever is lower.

3. Further, the AD Category- I banks are advised that they may bring down their positions to the above limits within June 30, 2012.

4. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully,

(Rudra Narayan Kar)
Chief General Manager