



Circular

CIR/DNPD/ 2 /2012

May 23 , 2012

To  
Managing Director/ Chief Executive Officer  
Recognized Stock Exchanges

Dear Sir/Madam,

**Sub: Revised Position Limits for Trading Member (Banks) in Exchange Traded USD:INR  
derivative contracts**

1. SEBI Circular No. CIR/DNPD/5/2010 dated July 30, 2010, inter alia, provides for position limits applicable for USD:INR derivatives contracts wherein Annexure II, para-3 of page 5 stipulates the norms applicable to Trading Member (Banks).
2. Your attention is drawn to RBI Circular No: RBI/2011-12/569 dated May 21, 2012 on 'Risk Management and Inter-bank dealings'. The Circular, inter alia, revised norms on position limits for Authorized Dealers Category – I (AD Category – I) banks.
3. In light of the above, Annexure II, para-3 of page 5 of the above stated SEBI Circular, stands modified as under:

"Gross open positions of the bank across all contracts (both futures and options contracts) not to exceed 15% of the total open interest or USD 100 million whichever is **lower**".

4. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.



भारतीय प्रतिभूति और विनिमय बोर्ड  
Securities and Exchange Board of India

5. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the category "Derivatives-Circulars".

Yours faithfully,

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