



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2026-27/291

A.P. (DIR Series) Circular No. 25

October 10, 2026

To,

All Authorised Dealers

Madam/Sir,

Risk Management and Inter-Bank Dealings

Attention of Authorised Dealers is invited to the [Master Direction - Risk Management and Inter-Bank Dealings dated July 05, 2016](#), as amended from time to time.

2. In view of evolving market conditions, it has been decided as under:

Cancellation and rebooking / rollovers of foreign exchange derivative contracts

(a) An Authorised Dealer shall not permit users to rebook any foreign exchange derivative contract involving the INR, whether deliverable or non-deliverable, which has been cancelled with any of the Authorised Dealers, after the issuance of these Directions.

(b) An Authorised Dealer may, however, continue to permit users to rollover foreign exchange derivative contracts on maturity, subject to compliance with the provisions of the Master Direction *ibid*.

Threshold limit for taking positions without requirement to establish the existence of underlying

(c) In terms of the proviso to paragraph 2.4 (i) of Section I of Part A of the Master Direction *ibid*, Authorised Dealers are permitted to allow users to take positions upto USD 100 million equivalent of notional value (outstanding at any point of time), across all Authorised Dealers, for hedging contracted exposure without the requirement to establish the existence of underlying exposure. Further, in terms of paragraph 3.4 (i)

वित्तीय बाज़ार विनियमन विभाग, केंद्रीय कार्यालय भवन, नौवीं मंजिल, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001. भारत

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हिन्दी आसान है, इसका प्रयोग बढ़ाए



of Section I of Part A of the Master Direction *ibid*, a user is allowed to take positions (long or short), 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 Recognized Stock Exchanges. The threshold for each of the above facilities shall, henceforth, be USD 5 million equivalent of notional value (outstanding at any point of time).

Requirement for Additional Documentation

(d) An Authorised Dealer shall, at the time of offering a foreign exchange derivative contract involving INR to a user to hedge a contracted exposure, obtain and retain an undertaking from the user that the same underlying exposure has not been hedged with any other Authorised Dealer. Where the same exposure is being hedged in parts with more than one Authorised Dealer, the details of amounts already booked with other Authorised Dealer/s should be clearly indicated in the undertaking. This undertaking can also be obtained as a part of the deal confirmation. This shall be in addition to any other document(s) which the Authorised Dealers may call for from users in terms of paragraph 2.4 (iv) of Section I of Part A of the Master Direction *ibid* and for complying with the requirements of these Directions.

3. It shall be the responsibility of an Authorised Dealer to ensure compliance of these directions including the existence of underlying exposure, for which it will take necessary documents and retain them for a period not less than two years.

4. These Directions shall come into force with immediate effect.

5. These directions are issued in exercise of the powers conferred by Sections 10(4) and 11(1) of the FEMA, 1999, and Section 45W of the Reserve Bank of India Act, 1934, and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(Dimple Bhandia)
Chief General Manager