

**RESERVE BANK OF INDIA
FINANCIAL MARKETS REGULATION DEPARTMENT
9th FLOOR, CENTRAL OFFICE,
FORT MUMBAI 400 001**

To

All Authorised Dealer Category-I Banks

Madam / Sir,

Reporting instructions for Authorised Dealer Category-I Banks – Draft

Please refer to the [Master Direction - Risk Management and Inter-Bank Dealings dated July 5, 2016](#), as amended from time to time, in terms of which Authorised Dealer Category-I (AD Cat-I) banks are required to report all over-the-counter (OTC) foreign exchange derivative contracts and foreign currency interest rate derivative contracts, undertaken by them directly or through their overseas entities to the Trade Repository (TR) of Clearing Corporation of India Ltd. (CCIL). A reference is also invited to the [Master Direction – Reserve Bank of India \(Rupee Interest Rate Derivatives\) Directions, 2025](#), as amended from time to time, in terms of which market-makers in the Rupee Interest Rate Derivative (IRD) market are required to report all OTC IRD transactions undertaken by them directly or through their overseas entities as well as all Rupee IRD transactions undertaken globally by their related parties to the TR of CCIL.

2. On a review, it has been decided that an AD Cat-I bank shall report all OTC foreign exchange derivative contracts involving the Indian Rupee (INR) undertaken globally by its related parties to the TR of CCIL in terms of the enclosed [Annex](#).

3. These directions shall come into effect on the dates indicated in the [Annex](#).

4. These directions are issued under the powers vested in the Reserve Bank of India under Section 45W of the Reserve Bank of India Act, 1934, and sections 10(4), 11(1) and 11(2) 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,

(Dimple Bhandia)
Chief General Manager

Reporting of transactions undertaken by related parties of AD Cat-I banks

1. **Reporting entity:** An AD Cat-I bank shall report the necessary details of the OTC foreign exchange derivative contracts involving INR undertaken by its offshore related parties to the TR of CCIL. The related party of the AD Cat-I bank may also choose to report the details of such derivatives undertaken by it independently to the TR of CCIL.
2. **Related party:** For the purpose of these directions, the term "related party" shall have the same meaning as assigned to it under the Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures or International Accounting Standard (IAS) 24 - Related Party Disclosures or any other equivalent accounting standard. Provided that the term 'related party' shall exclude associates, as specified in the Ind AS 24 or IAS 24 or any other equivalent accounting standard.
3. **Coverage of transactions:** All OTC foreign exchange derivative contracts involving INR, undertaken globally by the related parties of the AD Cat-I bank in India shall be reported to the TR. For the purpose of these directions, OTC derivatives shall mean derivatives other than those which are traded on stock exchanges and shall include those traded on electronic trading platforms (ETPs).
4. **Reporting requirements:** An AD Cat-I bank shall ensure that all covered transactions undertaken by its offshore related parties are reported. With a view to providing operational flexibility, such reporting shall be subject to the following requirements:
 - (i) An AD Cat-I bank is not required to report transactions undertaken in terms of the back-to-back arrangement, as defined in the [Master Direction - Risk Management and Inter-Bank Dealings dated July 5, 2016](#), as amended from time to time, and transactions undertaken by the related parties with other AD Cat-I banks in India;
 - (ii) An AD Cat-I bank shall have the option of not reporting transactions where the notional of the contract does not exceed USD 1 million or equivalent;

(iii) An AD Cat-I bank shall ensure that:

- a. with effect from 12 months after the date of issuance of these Directions, transactions reported by it constitute at least 70 per cent of the notional value of all foreign exchange derivative contracts involving INR undertaken by its related parties;
- b. with effect from 18 months after the date of issuance of these Directions, transactions reported by it constitute at least 80 per cent of the notional value of all foreign exchange derivative contracts involving INR undertaken by its related parties; and
- c. with effect from 24 months after the date of issuance of these Directions, transactions reported by it constitute at least 90 per cent of the notional value of all foreign exchange derivative contracts involving INR undertaken by its related parties; and

(iv) For the purpose of computation of the reporting requirement to ensure compliance with (iii) above, transactions indicated at (i) and (ii) above may be excluded.

5. **Details of transactions to be reported:** An AD Cat-I bank shall report all elements of covered transactions which are relevant to provide meaningful information about the transaction. This will include, but not be limited to, the notional value, name of the counterparty, maturity date, currency, specifications etc., as applicable to the transaction. The central counterparty may be reported as the counterparty only in cases where the covered transaction is undertaken on an anonymous trading platform and is cleared by the central counterparty. The reporting formats shall be as indicated by CCIL with the prior approval of the Reserve Bank.

6. **Cut-off time for reporting:** Transaction shall be reported preferably on the date of transaction, but in any case, within two working days from the date of transaction.