

**NSE IFSC Limited****Department: TRADING**

Download Ref No: NSEIFSC/TRADE/430

Date: March 19, 2020

Circular Ref. No:034/2020

All Members,

**Sub: Introduction of Currency Future and Option Contracts on Indian Rupee**

Exchange is pleased to inform receipt of approval from SEBI to introduce trading in Indian Rupee to United States Dollar Futures and Options contract and Indian Rupee USD Quanto Futures and Options contract vide SEBI letter ref. no SEBI/HO/MRD2/DCAP/OW/P/2020/7034/1 dated February 24, 2020 and authorization from RBI under section 10(1) of the Foreign Exchange Management Act, 1999 to NSE IFSC Limited vide RBI letter ref. no FED.CO.APRD/4869/02.01.020/2019-20 dated March 18, 2020, to undertake activities relating to currency futures and currency options in GIFT IFSC in terms of Notification No. FMRD.FMD.01/ED(TRS)-2020 dated January 20, 2020 Currency Futures in International Financial Services Centre (Reserve Bank) Directions, 2020, and Notification No. FMRD.FMD.07ED(TRS)-2020 dated January 20, 2020 Currency Options in International Financial Services Centre (Reserve Bank) Directions, 2020 respectively.

The detailed contracts specifications for the following products is attached in Annexure 1 & 2 respectively:

- INRUSD Futures
- INRUSD Options
- QINRUSD Futures (Quanto)
- QINRUSD Options (Quanto)

Other trading parameters for these contracts shall remain same as mentioned in the Exchange circular ref. no. NSEIFSC/TRADE/284 dated May 20, 2019. Further, Exchange shall also introduce Day spread order functionality (as mentioned in the above circular) in Futures contracts of underlying INRUSD and QINRUSD.

Live date for trading of Future and Option contracts on INRUSD and QINRUSD shall be intimated separately.

**For and on behalf of  
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**Annexure-1**  
**Contract Specifications – Indian Rupee to United States Dollar Futures and Options contract (INRUSD)**

Parameters	Indian Rupee Futures	Indian Rupee Options
Instrument Type	FUTCUR	OPTCUR
Underlying Asset	INRUSD Currency Pair	INRUSD Currency Pair
Symbol	INRUSD	INRUSD
Currency	US Dollars	US Dollars
Price Quotation	US Dollars per 100 INR increments	
Lot Size	INR 20,00,000	INR 20,00,000
Multiplier	20,000 (INR 20,00,000/INR 100)	20,000 (INR 20,00,000/INR 100)
Tick Size	0.01 US Cents per INR 100	0.01 US Cents per INR 100
Settlement Type	Cash Settled	Cash Settled
Trading cycle	3 Monthly expiry contracts	3 Monthly expiry contracts
Contract Calendar	2 working days prior to last business day of the Expiry Month	2 working days prior to last business day of the Expiry Month
Option Exercise	<i>Not Applicable</i>	European Style
Option Type	<i>Not Applicable</i>	Call and Put options (CE & PE)
No. of Strikes	<i>Not Applicable</i>	12-1-12
Strike Interval	<i>Not Applicable</i>	INR 0.25 converted to US Cents per INR 100 up to 2 decimal places
Trade timing	Trading: 8.00 am to 5.00 pm (S1); 5.30 pm to 11.30pm (S2)	
Expiry day – Expiring Contract	Trading: 8.00 am to 12.30 pm (S1)	
Daily Settlement Price (DSP)	Last half hour VWAP of futures else theoretical price	
Final Settlement Price (FSP)	Final settlement price for currency futures and currency options contracts shall be derived based on the FBIL published Reference rate for USDINR, on the last trading day of the contract.	
Daily Price Limit (DPL)	Futures: +/- 3 % of base price for tenure up to 6 months and +/- 5% of base price for tenure greater than 6 months	Options: A contract specific price range based on its delta value is computed and updated on a daily basis
Initial Margin	Based on SPAN (Kindly refer to circular of NICCL for details of Initial Margins)	
Daily & Final Settlement	Kindly refer to circular of NICCL for Daily Settlement & Final Settlement	
Position Limits	Kindly refer to relevant position limits circular	
Spread contracts	Near-Mid, Near-Far & Mid-Far for monthly contracts	

**Annexure-2**  
**Contract Specifications – Indian Rupee USD Quanto Futures and Options contract (QINRUSD)**

Parameters	Indian Rupee Futures	Indian Rupee Options
Instrument Type	FUTCUR	OPTCUR
Underlying Asset	USD-INR Currency Pair	USD-INR Currency Pair
Symbol	QINRUSD	QINRUSD
Currency	US Dollars	US Dollars
Price Quotation	USDINR rate quoted in US Dollars	
Lot Size	US\$ 100 * USDINR rate	US\$ 100 * USDINR rate
Tick Size	US \$ 0.0025	US \$ 0.0025
Settlement Type	Cash Settled	Cash Settled
Contract Calendar	3 Monthly expiry contracts	3 Monthly expiry contracts
Expiry Day	2 working days prior to last business day of the Expiry Month	2 working days prior to last business day of the Expiry Month
Option Exercise	Not Applicable	European Style
Option Type	Not Applicable	Call and Put options (CE & PE)
No. of Strikes	Not Applicable	12-1-12
Strike Interval	Not Applicable	Interval of US \$ 0.25
Trade timing	Trading: 8.00 am to 5.00 pm (S1); 5.30 pm to 11.30pm (S2)	
Expiry day – Expiring Contract	Trading: 8.00 am to 12.30 pm (S1)	
Daily Settlement Price (DSP)	Last half hour VWAP of futures else theoretical price	
Final Settlement Price (FSP)	Final settlement price for currency futures and currency options contracts shall be the FBIL Reference rate for USDINR, on the last trading day of the contract	
Daily Price Limit (DPL)	Futures: +/-3 % of base price for tenure up to 6 months and +/- 5% of base price for tenure greater than 6 months	Options: A contract specific price range based on its delta value is computed and updated on a daily basis
Initial Margin	Based on SPAN (Kindly refer to circular of NICCL for details of Initial Margins)	
Daily & Final Settlement	Kindly refer to circular of NICCL for Daily Settlement & Final Settlement	
Position Limits	Kindly refer to relevant position limits circular	
Spread contracts	Near-Mid, Near-Far & Mid-Far for monthly contracts	