



Onshore INR products

FX spot

Current account:	No prior approval requirements but participants must have documentary evidence of the underlying transaction for remittances.
Capital account:	All FX transactions on the capital account are subject to general or specific permission from the RBI.
Avg. ticket size:	USD 5mn
Bid/ask spread:	INR 0.0025 – 0.0100
Avg. daily vol:	USD 15bn (range: 10 – 20bn)
Ref. source:	Reuters page <RBIB>
Trading hours:	9:00am – 5:00pm, Mumbai time (till 4:30pm for corporates)

FX forward/swap/long-dated FX forward

Regulatory:	Per FX spot
Avg. ticket size:	USD 20mn on 1y, USD 10mn on 2y and above
Tenor:	Overnight to 10 years (Overnight to 1yr is very liquid)
Bid/ask spread:	INR 0.01 for tenors less than 1yr, INR 0.10 – 0.50 for tenors more than 1yr
Avg. daily vol:	USD 10.0 bn
Ref. Source:	Reuters page <INR1F=>

FX options

Regulatory:	Authorized Dealers (ADs) are allowed to offer foreign currency rupee options. However only plain-vanilla European Calls/Puts and structures using these options as building blocks are allowed in the FCY/INR (where FCY represents foreign currency) options space. Use of cost reduction structures, i.e., cross currency option cost reduction structures and foreign currency-INR option cost reduction structures, have been permitted to hedge exchange rate risk arising out of trade transactions, External Commercial Borrowings (ECBs) and foreign currency loans availed of domestically against FCNR (B) deposits. Corporate clients are not allowed to be net receivers of premium. Contingent foreign exchange exposure arising out of submission of tender bid in foreign exchange can also be hedged using options. RBI has also recently permitted Writing of Covered Call and Put Currency Option contracts by Indian exporters and importers of goods and services.
Avg. ticket size:	Ticket-size varies, as this is a non-OTC market
Tenor:	Up to 5 years
Bid/ask spread:	0.3 – 0.6 vols for tenors less than 1Y, 0.6 – 2.0 vol for tenors more than 1Y
Avg. daily vol:	USD 500mn
Ref. source:	INVOLFIX (Reuters FEDAI Daily Vol Fixing) and INR CURRENCY OVDV (Bloomberg INR Options curve). Fixing time is 11.30am Mumbai time.

Onshore CCS

Regulatory:	Residents with foreign currency liabilities that are converting such liabilities to a rupee Liability can enter into foreign currency-INR swap. Incorporated resident entities in India with rupee liabilities can convert them into FX liabilities via INR-FX swaps, subject to certain minimum prudential requirements as mentioned in the regulatory guidelines. Foreign currency – INR swaps can be entered into by resident entities having FCY borrowings and non-residents who have extended INR ECBs (External Commercial Borrowing). No swap transactions involving upfront payment of INR or its equivalent in any form shall be undertaken. Overseas lenders of rupee (INR) denominated trade credits will be eligible to hedge their exposure in rupees through permitted derivative products in the onshore market.
Avg. ticket size:	INR 500mn
Tenor:	1 – 10 years