



**CIRCULAR**

SEBI/HO/MRD/DRMNP/CIR/P/2019/39

March 18, 2019

All Stock Exchanges and Clearing Corporations in International Financial Services Centre (IFSC)

Dear Sir / Madam

**Clarification on participation of Eligible Foreign Investors (EFIs) in Commodity Derivatives in IFSC**

Kindly refer to SEBI circular IMD/HO/FPIC/CIR/P/ 2017/003 dated January 04, 2017 wherein Guidelines for participation/functioning of Eligible Foreign Investors (EFIs) and Foreign Portfolio Investors (FPIs) in International Financial Services Centre (IFSC) have been issued.

2. In this regard, it is clarified that the EFIs may participate in commodity derivatives contracts traded in stock exchanges in IFSC subject to the following conditions:-
  - 2.1. The participation would be limited to the derivatives contracts in non-agricultural commodities only,
  - 2.2. Contracts would be cash settled on the settlement price determined on overseas exchanges, and
  - 2.3. All the transactions shall be denominated in foreign currency only.
3. The Exchanges are advised to:
  - i. take steps to make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the same.
  - ii. bring the provisions of this circular to the notice of the members of the Exchange and also to disseminate the same on their website.
4. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully

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