



International Financial Services Centres Authority

F.No.110/IFSCA/Banking Regulation/2021-22/7

October 5 ,2021

To All Banking Units

Dear Sir/Madam,

Subject: OTC derivatives at IFSC – Amendment- OTC derivatives on Indian Government Bonds (IGBs) and State Development Loans (SDLs)

Banking Units (BUs) may please refer to the Authority's circular no.No.110/IFSCA/Banking Regulation/2020-21/2 dated December 4, 2020

2. The following amendments are carried out in the abovementioned circular with immediate effect:

a) Annex to circular – Para 5 – Eligibility criteria

Contents of sub para (i) entitled “*Market makers*” to be replaced with the following:

Offshore Derivative Instruments (ODIs) – Banking Units holding a Foreign Portfolio Investor (FPI) certificate under the provisions of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations,2019 dated September 23,2019 (as amended)

Other OTC derivatives – All Banking Units

b) Annex to circular – Para 7 – Permissible derivative instruments

The following to be appended under the column entitled “Modification” (before Notes)

Offshore Derivative Instruments (ODIs) on Indian Government Bonds (IGBs) and State Development Loans (SDLs)

Offshore Derivative Instruments (ODIs) shall be issued in compliance with the provisions of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations,2019 dated September 23,2019 (as amended) including reporting of data on ODIs to the Securities and Exchange Board of India.

3. Eligible BUs are directed to share a soft copy of the data on ODIs being reported to SEBI to ibu-reports@ifsc.gov.in from the date of this circular
4. BUs are directed to ensure compliance with the provisions of this circular.

Yours faithfully

(Supriyo Bhattacharjee)
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