



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2019-20/136

A.P. (DIR Series) Circular No. 15

January 6, 2020

All Authorised Dealers Category-I

Madam/Sir,

Risk Management and Inter-bank Dealings- Permitting AD Cat-I banks to voluntarily undertake user and Inter-Bank transactions beyond onshore market hours

Attention of Authorised Dealers (ADs) is invited to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 notified vide [Notification No. FEMA.25/RB-2000 dated May 3, 2000](#) issued under clause (h) of sub-section (2) of Section 47 of FEMA, 1999 (Act 42 of 1999), as amended from time to time and the [Master Direction- Risk Management and Inter-bank Dealing dated July 05, 2016](#), as amended from time to time.

2. As announced in the [Statement of Developmental and Regulatory Policies dated October 04, 2019](#) it has been decided to accept the recommendation of the Task Force on Offshore Rupee Market to permit AD Cat-I banks to offer foreign exchange prices to users at all times, out of their Indian books, either by a domestic sales team or through their overseas branches.

3. Accordingly, the following section is being added in Part C (Inter-Bank Foreign Exchange Dealings) of the [Master Direction- Risk Management and Inter-Bank Dealings](#):

“6. Customer and inter-bank transactions beyond onshore market hours

Authorised dealers may undertake customer (persons resident in India and persons resident outside India) and inter-bank transactions beyond onshore market hours.

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Transactions with persons resident outside India, through their foreign branches and subsidiaries may also be undertaken beyond onshore market hours.”

4. The directions contained in this circular have been issued under sections 10(4) and 11(1) 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,

(Saswat Mahapatra)
Deputy General Manager (O-i-C)