**NATIONAL STOCK EXCHANGE OF INDIA LIMITED**

| DEPARTMENT : SURVEILLANCE | |
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| **Download Ref. No.: NSE/SURV/ 38046** | **Date: June 15, 2018** |
| **Circular Ref. No.:- 147/2018** | |

To All NSE Members

**Sub: Mechanism for monitoring and enforcing the separate limit allocated to FPIs for investment in IRFs**

This is with reference to the SEBI circular no. IMD/FPIC/CIR/P/2018/46 dated March 08, 2018 and Exchange circular download reference number NSE/SURV/37154 dated March 08, 2018 regarding separate limit of Interest Rate Futures ("IRFs") for Foreign Portfolio Investors ("FPIs").

Accordingly, as per clause 4 of above SEBI Circular, Exchanges/Clearing Corporations jointly in consultation with SEBI have devised a mechanism to monitor limits of FPIs in IRFs as under:

1. **Limit monitoring at aggregate level:**

   a) Exchanges/Clearing Corporation shall share positions for each FPI with respective custodians, on a daily basis.
   b) Custodians shall compute net long positions for each FPI after netting off positions in the same instrument across exchanges.
   c) All custodians shall share the aggregate net long position for all FPIs with all the Exchanges/Clearing Corporation, on a daily basis.
   d) The aggregate net long position received from custodians across all FPIs across all exchanges shall be disseminated by Exchange/Clearing Corporation on their respective websites, on a daily basis.
   e) Once 90% of the limit is utilized, stock exchanges shall publish on their website the available limit, on a daily basis.

2. **Limit monitoring at FPI level:**

   a. Stock Exchanges/Clearing Corporation shall share positions for each FPI with respective custodians, on a daily basis.
   b. Custodians shall compute net long positions for each FPI after netting off positions in the same instrument across exchanges.

In case of breach, Custodian shall inform the respective Clearing Corporation about the breach. Clearing Corporation will ensure that the FPI reduces its position within five trading days or by expiry of contract, whichever is earlier.

The Trading Members/ FPIs /Clearing Members /Custodian are informed that the above mentioned provision shall be applicable w.e.f. Wednesday, June 20, 2018.

In case of any clarifications, members may contact on: 1800 266 00 57.

**For National Stock Exchange of India Limited**

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