



Foreign Exchange Dealers' Association of India

Self-Regulatory Organisation (SRO) for Authorised Dealers

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**SPL-01/CRILC Reporting/2026
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All Members of FEDAI

Sub.: CRILC reporting for collateral placed on account of variation margin by Authorised Dealer to their customer (market user)

The facility extended to customers for booking foreign exchange (Fx) deals results in a non-fund-based exposure in the books of Authorised Dealers (ADs). This exposure is classified as a non-fund-based credit facility for the purpose of CRILC reporting.

Further, at times, ADs are required to post variation margins with market participants in a negative mark-to-market scenario. Such margins are recorded as assets in the books of the AD, appearing on the loan side of the bank's balance sheet. In practice, these amounts are reported as fund-based exposure for the purpose of CRILC reporting.

A reference on the matter was received and discussed in the FEDAI Technical Advisory Committee (TAC) against the backdrop of the following facts:

- The CRILC reporting format does not contain a specific head for reporting such asset items.
- Certain customers have expressed concerns regarding the reporting of these asset items as fund-based facilities.

Based on the recommendation of the TAC, FEDAI sought guidance from the RBI. The RBI has since clarified the matter as follows-

Quote

In this context, it has been decided to extend CRILC reporting relief by permitting the netting of posted collateral against banks' negative MTM positions where bilateral netting agreements are in place. However, such netting shall not be permitted for computation of exposure under Current Exposure Method (CEM). Consequently, such netting shall not be applicable for regulatory capital purpose. Further, the limitation observed under the CEM are comprehensively addressed within the Standardised Approach for Counterparty Credit Risk (SA-CCR) framework. Once implemented, SA-CCR will remediate this specific issue.

Unquote

Members are advised to take note of above and ensure compliance.

Vivek Wahi

Chief Executive Officer