Foreign Exchange Dealers' Association of India

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FEDAI RULES (10th EDITION)

EFFECTIVE FROM 01 APRIL 2019

Updated up to 15 November 2020

Note: The inserted text is indicated in **blue font** and deletion is indicated in **red font**.

General Guidelines/Instructions

1. The member banks are free to determine their own charges for various types of forex transactions, keeping in view the advice of RBI that such charges are not to be out of line with the average cost of providing services. Banks should take care to ensure that customers with low volume of activities are not penalised.
2. Banks should prominently display their card rates for foreign currencies on their website and / or their B Category branches. Banks should also declare
   i. Threshold amounts up to which they are committed to apply card rates.
   ii. Frequency and time of publishing the card rate
3. Information regarding various forex related programmes, rates advised for various purposes from time to time, important circulars issued by FEDAI, FEDAI Rules, Public Register on commitment to Fx Global Code etc. are available at our website www.fedai.org.in. E-mail address of FEDAI is mail@fedai.org.in.
4. Our reference to Authorised Dealer is the reference to all Authorised Dealers (Category-I) banks and other person authorized by RBI under section 10 of Foreign Exchange Management Act 1999 who are members of FEDAI.
5. All members shall abide by FEDAI Code of Conduct 2017 and shall submit their 'Statement of Commitment' in prescribed format. Members shall confirm in April each year that they have obtained the Statement in Annexure-I to FEDAI Circular SPL-11.BC /2017 dated 08th November 2017 from all the concerned employee.

   General Rule 5 amended vide AR Circular No. 04/2020 date 2nd November 2020

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RULE 1

HOURS OF BUSINESS FOR QUOTING FX RATES

1.1 The normal market hours for FCY/INR transactions in Inter-bank forex market as well as client transactions in India would be from 9.00 a.m. to 5.00 p.m. IST on all working days.

Rule 1.1 amended vide AR Circular No. 01.BC/2020 date 23rd January 2020

1.2 (A) Authorised dealers may undertake customer (persons resident in India and persons resident outside India) and inter-bank transactions on all working days beyond normal market hours.

(B) Transactions with persons resident outside India, through their foreign branches and subsidiaries may also be undertaken on all working days beyond normal market hours.

(C) However, value Cash transactions may be undertaken only upto 5.00 pm IST, except in case of individual person (including joint account or proprietary firm).

(D) Transactions, including value cash transactions, for individual persons (including joint account or proprietary firm) can be undertaken even on Saturdays, Sundays and holidays as per banks internal policy.

(E) Any transaction undertaken beyond the market hours prescribed under Rule 1.1, bank must ensure that:

NOOP Limit is maintained all the times [including transactions executed from EOD to 9.00 am IST (market opening time) next working day].

Spot date Roll over for FCY/INR transactions will take place at 12.00 midnight IST.

Rule 1.2 amended vide AR Circular No. 01.BC/2020 date 23rd January 2020

1.3 For the purpose of Foreign Exchange business, Saturday will not be treated as a working day except for transactions as stated in 1.2 (D) above.

Rule 1.3 amended vide AR Circular No. 04/2020 date 2nd November 2020

1.4 "**Known holiday"** is one which is known at least 3 working days before the date.

A holiday that is not a "known holiday" is defined as a "**suddenly declared holiday**".

Note: Suppose days 1, 2, 3 and 4 are all working days.

If day 4 is declared as a holiday on or after day 1, it will be a suddenly declared holiday.

If day 4 is declared as a holiday prior to day 1, it would be a known holiday.

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RULE 2
EXPORT TRANSACTIONS

2.1 Post shipment Credit in Rupees

a) Application of exchange rate

Foreign Currency bills will be purchased/discounted/negotiated at the Authorised Dealer's current bill buying rate or contracted rate. Interest for the normal transit period and/or usance period shall be recovered upfront simultaneously.

b) Crystallisation and Recovery

i) Authorised Dealers should formulate own policy for crystallisation of foreign currency liability into rupee liability, in case of non-payment of bills on the due date.

ii) The policy in this regard should be transparently available to the customers.

iii) For crystallisation into Rupee liability, the Authorised Dealer shall apply its TT selling rate of exchange. The amount recoverable, thereafter, shall be the crystallised Rupee amount along with interest and charges, if any.

iv) Interest shall be recovered on the date of crystallisation for the overdue period at the appropriate rate; and thereafter till the date of recovery of the crystallized amount.

v) Export bills payable in countries with externalisation issues shall also be crystallised as per the policy of the authorised dealer, notwithstanding receipt of advice of payment in local currency.

c) Realisation of Bill after crystallisation

After receipt of advice of realisation, the authorised dealer will apply TT buying rate or contracted rate (if any) to convert foreign currency proceeds.

d) Dishonour of bills

In case of dishonour of a bill before crystallisation, the bank shall recover;

i) Rupee equivalent amount of the bill and foreign currency charges at TT selling rate.

ii) Appropriate interest and rupee denominated charges.

2.2 Application of Interest

a) Rate of interest applicable to all export transactions shall be as per the guidelines of Reserve Bank of India from time to time.

b) Overdue interest shall be recovered from the customer, if payment is not received within normal transit period in case of demand bills and on/or before notional due date/actual due date in case of usance bills, as per RBI directive.

c) Early Realisation

In case of early realisation, interest for the unexpired period shall be refunded to the customer. The bank shall also pay or recover notional swap cost as in the case of early delivery under a forward contract. Interest on outlay/ inflow of funds for such SWAPS shall also be recovered/ paid as per Rule 6 para 6.6.

2.3 Normal Transit Period

Concepts of normal transit period and notional due date are linked to interest rate on export bills and to arrive at due date of the bill/export credit.

Normal transit period comprises of the average period normally involved from the date of negotiation/purchase/discount till the receipt of bill proceeds.

It is not to be confused with the time taken for the arrival of the goods at the destination.

Normal transit period for different categories of export business are laid down as below.

a) Fixed Due Date

In the case of export usance bills, where due dates are fixed or are reckoned from date of shipment or date of bill of exchange etc., the actual due date is known. Therefore, in such cases, normal transit period is not applicable.

b) Bill drawn on DP/At Sight Basis and not under Letter of Credit (LC)

(i) Bill in Foreign Currencies	– 25 days
(ii) Bills in Rupees not under Letter of Credit	– 20 days

AD Bank may apply transit period that varies (Higher or lower) from above prescribed NTP for exceptional situations based on historic data for specific exporter/overseas buyer/supply destination and mode of transportation etc. Any deviation from above prescribed NTP should be documented with rationale for such deviation.

In case of extending finance beyond above prescribed NTP, maximum period is restricted up to 90 days from the date of shipment.

AD Bank should be responsible to demonstrate the document relying upon which the facility of post-shipment export finance provided for extended/reduced NTP period. No changes in due date shall be permitted subsequent to the purchase, discounting or negotiation of export bill.

c) Exports to county under United Nations Guidelines – Max. 120 days

d) Bills drawn in Rupees under Letters of Credit(L/C)

i) Reimbursement provided at centre of negotiation - 3 days

ii) Reimbursement provided in India at centre different from centre of negotiation - 7 days

iii) Reimbursement provided by banks outside India - 20 days

iv) Exports to Russia where reimbursement is provided by RBI - 20 days

e) TT reimbursement under Letters of Credit(L/C)

i) Where L/C provides for reimbursement by electronic means - 5 days

ii) Where L/C provides reimbursement claim after certain number of days from the date of negotiation - 5 days + this additional period

2.4 Substitution/Change in Tenor

a) In case of change in the usance of a bill, interest on post shipment credit shall be charged to the customer, as per internal guidelines of respective bank. In addition, the bank shall charge or pay notional swap difference. Interest on outlay/inflow of funds for such swaps shall also be recovered / paid as per Rule 6 para 6.6.

b) It is optional for banks to accept delivery of bills under a contract made for purchase of a clean TT. In such cases, the bank shall recover/pay notional swap difference for the relative cover. Interest on outlay/inflow of funds for such swaps shall also be recovered/paid as per Rule 6 para 6.6.

2.5 Export Bills sent for collection:

a) Application of exchange rates

The conversion of foreign currency proceeds of export bills sent for collection or of goods sent on consignment basis shall be done at prevailing TT buying rate or the Fx contract rate, as the case may be. The conversion to Rupee equivalent shall be made only after the foreign currency amount is credited to the Nostro account of the bank.

b) On receipt of credit advice/statement of Nostro account and compliances of guidelines, requirements of the Bank and FEMA, the Bank shall transfer funds for the credit of exporter's account within two working days.

c) If the above stipulated time limit is not observed, the Bank shall pay compensation for the delayed period at the minimum interest rate charged on export credit. Compensation for adverse movement of exchange rate, if any, shall also be paid as per the compensation policy of the bank.

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RULE 3
IMPORT TRANSACTIONS

3.1 Application of exchange rate

a)	Retirement of import bills	Exchange rate as per hedge contract, if hedge contract is in place. Prevailing Bill Selling rate, in case there is no hedge contract.
b)	Crystallisation of Import bill (vide para 3.3 below)	same as above
c)	For determination of stamp duty on import bills	As per exchange rate provided by the authority concerned.

3.2 Application of Interest

a) Bills negotiated under import letters of credit shall carry commercial rate of interest as applicable to banks' domestic advances from time to time.

b) Interest remittable on interest bearing bills shall be subject to the directive of Reserve Bank of India in this regard.

3.3 Crystallisation of Import Bill under Letters of Credit

Unpaid foreign currency import bills drawn under letters of credit shall be crystallised as per the stated policy of the bank in this respect.

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RULE 4
CLEAN INSTRUMENTS

4.1 Outward Remittance

Outward remittance shall be effected at TT selling rate of the bank ruling on that date or at the Fx contract rate.

4.2 Encashment or Sale of foreign currency notes and instruments

Foreign currency travelers' cheques, currency notes, foreign currency in prepaid card, debit/credit card will be encashed or sold at Authorised Dealer's option at the appropriate buying or selling rate respectively ruling on the date and time of encashment or sale.

Rule 4.2 amended vide AR Circular No. 04/2020 date 2nd November 2020

4.3 Payment of foreign inward remittance

Foreign currency remittance up to certain amount, as per uniform policy of respective bank, may be converted immediately, for their own customer in to Indian Rupee if all information required for crediting the remittance to beneficiary account is available and there is no instruction to the contrary. Remittance in excess to such certain amount shall be executed in foreign currency or can be converted to other currency/(ies) with due intimation to or consent from, the beneficiary.

4.4 The applicable exchange rate for conversion of the foreign currency inward remittance shall be TT buying rate or the contracted rate as the case may be.

4.5 Compensation for delayed payment

Authorised Dealers shall pay or send intimation, as the case may be, to the beneficiary in two working days from the date of receipt of credit advice / Nostro statement. On receipt of disposal instruction complying with guidelines, required documents from the beneficiary the Bank shall transfer funds for the credit of beneficiary's account immediately but not exceeding two business days from date of such receipt.

In case of delay, the bank shall pay the beneficiary interest @ 2% over its savings bank interest rate. The bank shall also pay compensation for adverse movement of exchange rate, if any, as per its compensation policy specifying the reference rate and date applicable for calculating such exchange loss.

In case, the beneficiary does not respond within five working days from receipt of credit intimation as above and the bank does not return the remittance to the remitting bank, the bank shall initiate action to crystallize the remittance;

a. Bank notify due action to the remitting bank and the beneficiary
b. Bank shall crystallize the remittance within certain period as per their policy, not exceeding the time allowed for surrendering of foreign currency under any Stature or Regulation or RBI Directions.

Rule 4.5 amended vide AR Circular No. 04/2020 date 2nd November 2020

4.6 Transfer of funds between Vostro Accounts with two banks (w.e.f. 1st April 2013)

i. The bank carrying out interbank Vostro transfer by RTGS should mention in the "Remark" column of the RTGS message, a statement to the following effect – "We undertake to send form A3 separately".

ii. It is decided to fix time limit of 5 working days for receipt of form A3 at beneficiary bank's end. Delay beyond 5 days would attract penalty on the remitting bank.

iii. In case, beneficiary bank does not get form A3 within 5 working days, they must lodge a claim with the remitting bank within 15 days, from the date of transfer of funds. Remitting bank should ensure that Form A3 reaches the beneficiary bank promptly thereafter.

iv. Remitting bank would be required to pay beneficiary bank penalty at the rate of Rs. 1000/- per day for the period in excess of 5 days from the date of transfer of funds, till the form A3 reaches the beneficiary bank.

v. If beneficiary bank lodges the claim after 15 days from the date of transfer of funds, the claim amount will be capped at Rs. 10,000/-

vi. In case of any dispute between the banks, the matter may be referred to FEDAI. FEDAI will appoint a sub-committee of 3 members from the Managing Committee and give directions to the parties concerned.

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RULE 5
FOREIGN EXCHANGE CONTRACTS

5.1 Contract amounts

Exchange contracts shall be for definite amounts and periods. When a bill contract mentions more than one rate for bills of different deliveries, the contract must state the amount and delivery against each such rate.

5.2 Option period of delivery

Unless the date of delivery is fixed and indicated in the contract, option period may be specified at the discretion of the customer subject to the condition that such option period of delivery shall not extend beyond one month.

If the fixed date of delivery or the last date of delivery option is a known holiday; the last date for delivery shall be the preceding working day.

In case of suddenly declared holidays, the contract shall be deliverable on the next working day. Contracts permitting option of delivery must state the first & last dates of delivery.

For Example: 18th Jan to 17th Feb, 31st Jan to 29th Feb 2016.

"Ready" or "Cash" merchant contract is deliverable on the same day.

"Value next day" contract shall be deliverable on the working day immediately succeeding the contract date.

A spot contract shall be deliverable on second succeeding working day following the contract date.

A forward contract is a contract deliverable at a future date, beyond Spot Date. Duration of the contract being computed from spot value date at the time of transaction.

5.3 Place of delivery

All contracts shall be understood to read "to be delivered or paid for at the Bank" and "at the named place".

5.4 Date of delivery

Date of delivery under forward contracts shall be;

i. In case of bills/documents negotiated, purchased or discounted - the date of negotiation/purchase/ discount and payment of Rupees to the customer.

However, in case the documents are submitted earlier to, or later than the original delivery date, or for a different usance, the bank may treat it as proper delivery, provided there is no change in the expected date of realisation of foreign currency calculated at the time of booking of the contract. No early realisation or late delivery charges shall be recovered in such cases.

ii. In case of export bills/documents sent for collection date of payment of Rupees to the customer on realisation of the bills.

iii. In case of retirement/crystallisation of import bills/documents - the date of retirement/ crystallisation of liability, whichever is earlier.

5.5 Option of delivery

In all forward merchant contracts, except NDDC, the merchant, whether a buyer or a seller, will have the option of delivery.

Rule 5.5 amended vide AR Circular No. 04/2020 date 2nd November 2020

5.6 Option of usance

The merchant purchase contract should state the tenor of the bills/documents. Acceptance of delivery of bills/documents drawn for a different tenor will be at the discretion of the bank.

5.7 Merchant quotations

The exchange rate shall be quoted in direct terms i.e. so many Rupees and Paise for 1 unit or 100 units of foreign currency.

5.8 Rounding off Rupee equivalent of the foreign currency

Settlement of all merchant transactions may be effected by rounding off rupee amount or in actual paise, as per the banks own policy.

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RULE 6

EARLY DELIVERY, EXTENSION AND CANCELLATION OF FOREIGN EXCHANGE CONTRACTS

6.1 General

i. At the request of a customer, unless stated to the contrary in the provisions of FEMA, 1999, it is optional for a bank to:

   a) Accept or give early delivery, or

   b) Extend the contract.

ii. It is the responsibility of a customer to effect delivery or request the bank for extension / cancellation as the case may be, on or before the maturity date of the contract.

6.2 Early delivery

If a bank accepts or gives early delivery, the bank shall recover/pay swap difference, if any. Interest on outlay/inflow of funds for such swaps shall also be recovered / paid as per Rule 6 para 6.6.

6.3 Extension

Foreign exchange contracts where extension is sought by the customers shall be cancelled (at an appropriate selling or buying rate as on the date of cancellation) and rebooked simultaneously only at the current rate of exchange. The difference between the contracted rate, and the rate at which the contract is cancelled, shall be recovered from/paid to the customer as per Rule No. 6.4. Such request for extension shall be made on or before the maturity date of the contract.

6.4 Cancellation

i.Recovery/ Payment of Loss /Gain

a) In case of cancellation of a contract at the request of a customer (if the request is made on or before the maturity date) the Authorised Dealer shall recover/ pay, as the case may be, the difference between the contracted rate and the rate at which the cancellation is effected.

b) The process of recovery of exchange difference on cancellation of forward contracts on or before the maturity date will be as follows:

- The recovery can be either in lump sum or in installments.
- Repayment period should not extend beyond the maturity date of the contract.
- The repayment installments should be uniformly received over the remaining maturity of the contract and its periodicity should be at least once in a quarter

c) The banks should have Board approved policy to deal with recovery and payment of exchange difference and other charges on above lines. The details should be made available to the customers transparently on upfront basis.

ii. Rate at which cancellation is to be effected

a) Purchase contracts shall be cancelled at TT selling rate of the contracting Authorised Dealer
b) Sale contracts shall be cancelled at TT buying rate of the contracting Authorised Dealer
c) Where the contract is cancelled before maturity, the appropriate forward TT rate shall be applied.

iii. Notwithstanding the fact that the exchange contract between the customer and the bank becomes impossible for performance, for whatever reason, including Government prohibitory orders, the exchange contract shall not be deemed to have become void and the customer shall forthwith apply to the Authorised Dealer for cancellation, as per the provisions of paragraph 6.4(i) and (ii) above.

iv. **a.** In the absence of any instructions from the customer, vide para 6.1(ii), a contract which has matured shall be cancelled by the bank within the period of not exceeding three working day after the maturity date, as per the policy of the respective bank.

b. Swap cost, if any, shall be recovered from the customer under advice to him.

c. ~~When a~~For contract ~~is~~ cancelled after the maturity date [refer Para (a) above], the customer shall not be entitled to the exchange difference, if any, in ~~his~~ favour of the customer, since the contract is cancelled on account of ~~his~~ default on the part of customer. ~~He~~ Customer shall, however, be liable to pay the exchange difference, against him. Banks may pass the exchange gain provided it is satisfied that the contract became overdue as client could not give cancellation instructions on account of factors which were beyond the control of the client. Such instances along with specific justification, shall be kept on record by the Bank.

Rule 6.4(iv) amended vide AR Circular No. 04/2020 date 2nd November 2020

6.5 Swap cost/gain

i. In all cases of early delivery of a contract, swap cost shall be recovered from the customer, irrespective of whether an actual swap is made or not. Such recoveries should be made either back-ended or upfront at discretion of the bank.

ii. Payment of swap gain to a customer may be made at the beginning or at the end of swap period as per the bank's own policy in this regard.

6.6 Outlay and Inflow of funds

Authorised Dealer shall recover interest on outlay of funds for the purpose of arranging the swap, in addition to the swap cost in case of early delivery of a contract.

If such a swap leads to inflow of funds, interest shall be paid to the customer. Funds outlay/ inflow shall be arrived at by taking the difference between the original contract rate and the rate at which the swap could be arranged.

The rate of interest to be recovered/ paid and the threshold limit for the same may be determined by banks as per their policy in this regard.

In case of early delivery of 'Optional Delivery Date Forward Contract' interest on inlay/outlay of funds should be calculated up to the date for which the Swap is done, on account of early delivery.

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RULE - 7
BUSINESS THROUGH INTERMEDIARIES

7.1 Intermediaries

Exchange brokers, Multi Bank Portals (MBP), Electronic Order Matching Systems (EOMS) are some of the commonly used intermediaries in foreign exchange markets. While such intermediaries were earlier accredited by FEDAI, from 05 October 2018, FEDAI ~~will~~ continue to be the accrediting agency for Exchange Brokers (Voice) only. Electronic Trading Platforms viz. MBPs and EOMs ~~will~~ require to obtain authorisation from RBI. ~~ETPs existing and operating on or before the commencement of these directions shall make an application for authorisation within a period of six months from the date of issue of these directions. An existing ETP Operator may continue to carry on the operations till disposal of its application by the Reserve Bank granting or rejecting the letter of authorization.~~ Authorised Dealers shall use the services of intermediaries accredited by FEDAI/RBI. No brokerage, fees, charges or any other form of remuneration shall be paid by the Authorised Dealers to other bank employees on any foreign exchange contracts.

Rule 7.1 amended vide AR Circular No. 04/2020 date 2nd November 2020

7.2 Accredited intermediaries will conform to the rules, conditions and the code of conduct laid down by FEDAI from time to time. FEDAI may review the working and standing of accredited intermediaries from time to time. Any accredited intermediary who conducts any business contrary to the rules of FEDAI may have his accreditation withdrawn and no Authorised Dealer shall transact any business with him thereafter.

7.3 It shall be the duty of each Authorised Dealer and the associations of Exchange Brokers (Voice) to report to FEDAI, the name of an intermediary who suggests, proposes or transacts any business which is contrary to the rules of FEDAI.

7.4 Reporting Changes

Any changes in regard to the constitution or address or any other material change in respect of an Exchange Brokers (Voice) shall be advised to FEDAI promptly for necessary approval. Exchange Brokers (Voice) shall also report changes in the calling assistants, key employees, Managers to FEDAI.

7.5 Contracts Notes/Confirmations

All contracts/confirmations/advices in relation to foreign exchange business must bear the clause "Subject to the Rules & Regulations of the Foreign Exchange Dealers' Association of India."

No foreign exchange contract shall be made with an intermediary as a principal. A bank must refuse to give delivery to or take delivery from any party other than the declared principal – an authorised dealer.

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RULE - 8
INTERBANK SETTLEMENT

8.1 Issues of delays in payments of funds in any currency (including Indian Rupee) in settlement of foreign exchange contracts are dealt in this rule.

Considering the technological advances in processes of payments and reconciliation of accounts, it has become far more speedier to detect non-delivery of funds. Banks are expected to track delivery of funds, note discrepancies if any, and take corrective actions expeditiously and efficiently.

8.2 Interest for delayed delivery

In the event of late delivery of any currency (including Indian Rupee) in foreign exchange contract, interest for the number of days of delay (regardless of the causes for delay) shall be payable by the seller-bank. The interest for the overdue period shall be payable at the rate of 2% over the benchmark rate of the currency concerned. The benchmark rates for the currencies are listed below:-

1. INR - FBIL MIBOR overnight rate
2. STG - Base rate of Barclays Bank
3. USD - ~~Prime~~ Base rate of Citibank NA
4. EUR - Marginal Lending Facility rate of European Central Bank
5. JPY - Prime rate of Bank of Tokyo-Mitsubishi UFJ Ltd.
6. CHF - 3 month rate of Swiss National Bank
7. CAD - Prime rate of Bank of Nova Scotia

Rule 8.2(3) amended vide AR Circular No. 04/2020 date 2nd November 2020

In case of transactions in currencies not mentioned above, the seller bank shall pay interest at 2% over notional overdraft rate payable by the buyer bank.

The rate of interest applied would be the average rate based on rates on each day of delay.

8.3 Acceptance of back valued credit.

In case, the seller bank is willing to rectify the situation of late payment, by offering to deliver funds on value dated basis, the buyer bank shall accept such funds, provided the funds are delivered within two working days from the due date of the contract. In case, funds are delivered beyond two working days from the due date, it will be the choice of the buyer bank to accept-

(a) Value dated funds

or

(b) Claim interest as per para 8.2 above.

8.4 Time Limit for claim for delay

The claim for the delay in receipt of funds by the buyer bank should be made within 15 working days from the due date of the contract. The seller bank in such a case shall be liable to pay interest for the full period of delay.

If the claim is not made within 15 working days, the interest will be payable by the selling bank for the maximum period of 60 days only.

8.5 Time Limit for settlement of claim

The selling bank has to settle the claim (with interest for overdue period, as above) within 15 working days from the date of receipt of claim.

If a claim is not settled within 15 working days, the seller bank will be required to pay interest at the rate mentioned in 8.2 above for the entire overdue period. The cap of 60 days for interest payment as mentioned in 8.4 above will not apply in such cases.

8.6 Deliberate default

In case the claim is not settled within 60 days from the date of lodgment of claim, the matter may be referred to FEDAI for final decision, which shall be binding on both the banks concerned.

The matter would be examined by the Managing Committee of FEDAI or any other Sub- Committee appointed for this purpose by the Managing Committee. The said committee of FEDAI will decide about penalty on the defaulting bank.

8.7 Wrong delivery of funds

In case, a seller bank delivers funds to the account other than the notified account of the buyer bank, it shall compensate the buyer in terms of the above rules.

8.8 Use of incorrectly paid funds (undue enrichment)

A bank which has received funds, not intended for its accounts, shall be liable to compensate the bank which has been out of funds by either:

1. returning the funds with proper value, provided charges for back valuation are borne by the original remitting bank, or
2. returning the funds with interest that is earned, less charges, if any.

8.9 Settlement Date Change

a) When Maturity Date of a Fx contract falls on a month end and the said day is declared as a holiday subsequently, the settlement should be preponed to preceding working day, if the said day is “known holiday”.

b) In all other cases, if the maturity date is declared as a holiday subsequently, the settlement date should be postponed to the next working day.

8.10 Notice for Option Delivery

In case of interbank forward contract, that allows option of delivery, the buyer bank shall take up such forward contract after giving a notice of 2 working days to the seller bank.

8.11 All the member banks who deal in Forex Forward should become & retain membership of CCIL's Forex Forward Guaranteed Settlement segment. All interbank Forex Forward contracts should be subjected to the CCIL's Forex Forward Settlement segment.

Rule 8.11 amended vide AR Circular No. 04/2020 date 2nd November 2020

8.12 Change in expiry date of Option contracts

a) When expiry date of an option contract falls on a "known holiday", expiry date is pre-poned to the previous working day.

b) If an option expiry date falls on a "suddenly declared holiday", the expiry date should be post-poned to the next working day.

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