



Foreign Exchange Dealers' Association of India

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Misc. Circular No. 41/Online-WS/Fx.Hedging/2020

13th November 2020

URGENT AND IMPORTANT

ATTN.:

1. General Manager, HRD, Training Division
2. General Manager, International Division

Dear Sir,

Online Workshop on "Revised Fx. Hedging Guidelines" on 27th November 2020

LAST DATE FOR RECEIVING NOMINATIONS IS 23RD NOVEMBER 2020

We are pleased to inform member banks that Foreign Exchange Dealers' Association of India (FEDAI) will be organising an Online Workshop on "Revised Fx. Hedging Guidelines" under 2020 Series. Online workshop will be conducted on WebEx platform.

CONTACT DETAILS	PERIOD AND TIMINGS
Ms. Sushila Jaiswal Asst. Manager Tel: 022 – 2218 4432 Cell: 077100 69150 Email: mail@fedai.org.in , trg@fedai.org.in	Friday 27 th November 2020 10.00am to 1.00pm Session I – 10.00am to 11.30am Session II – 11.30am to 1.00pm
In the process of GST, issuance of Invoice is necessary. The nominating banks should inform FEDAI about the same and call for Invoice. On the basis of Invoice, payments can be remitted through NEFT. Please note that NO TDS is applicable on participation fee since it is subscription paid for online workshop where from NO tax is required to be deducted at source. As you are aware, FEDAI as an Association of AD-I Category Banks, is a Company registered Under Section 25 of the Companies Act, 1956, and such receipts are exempted from Income Tax based on the principle of mutuality . Payment should be made within 5 Days of receipt of Invoice as per account details mentioned below:	
Participation Fee : Rs. 3,500/- + GST 18% : Rs. 630/- ----- Rs. 4,130/- =====	Mode of payment : Cheque favouring FEDAI payable at Mumbai OR NEFT as follows a) Beneficiary Name: Foreign Exchange Dealers' Association of India b) Bank's Name: Canara Bank, Cuffe Parade Br. Mumbai- 400005 c) Account Type: Savings Bank d) Account No. : 1879101005526 e) IFSC Code: CNRB0001879 f) Remark: Please provide name of the Participant

The Officers attending online workshop will be entitled for complementary access to FEDAI E-books.

*** BACKGROUND ***

RBI vide notification RBI/2019-20/210A.P. (DIR Series) Circular No. 29 dated April 7, 2020 revised the existing facilities for non-residents and residents to hedge their foreign exchange risk on account of transactions permitted under Foreign Exchange Management Act (FEMA), 1999. The new directions came into effect from Sept. 1, 2020.

The new rules have been made simpler and are principle based. The revised rules give sufficient freedom to sophisticated client to use structured products to hedge their Fx risks while safeguarding the interests of less sophisticated participants. The revised Directions set out a unified set of rules for accessing the foreign exchange markets for both residents and non-residents with a focus on bridging the segmentation between onshore and offshore trading activity.

*** OBJECTIVE OF THE WORKSHOP***

- To create awareness amongst AD I Bank officials about the exchange / interest rate risks, discussing risk management process for effective risk management with the help of derivatives.
- To help front line officials understand the key aspects and be better equipped to guide their clients in efficient risk management and benefit from the relaxations given by the New Fx Hedging Guidelines, FEDAI has organized a One Day online training webinar.

*** TARGET GROUP***

The target group will be Officers at various B as well a C Category branches of AD I Banks having experience in Foreign Trade, Treasury Dept and Risk Management Dept.

*** FACULTY ***

In-house faculty of FEDAI / Faculty identified by FEDAI

*** INPUTS TO BE PROVIDED ***

Session I

- Brief recap of earlier Fx Hedging Guidelines
- Need for change in above Guidelines
- Key changes in the new guidelines like new client segmentation, facilities under which clients can hedge the Fx exposure
- Do's and Dont's
- Checks and controls banks need to put in place for monitoring underlying exposure
- Procedure for non-INR, cross currency hedging
- Monitoring of hedges put under Anticipated Exposure
- Special provisions for clients with hedging requirements under USD 10 mio

The nominations will be accepted on 'first come first served' basis and should be received by FEDAI latest by Monday, the 23rd November 2020. FEDAI will advise the acceptance of nominations and only such accepted nominees will be sent a weblink for Registration to the online workshop. All the participants who have completed the registration will be sent the meeting ID and Password.

Yours faithfully,

Chief Executive