

National Stock Exchange of India Limited

Circular

| Department: | |
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| Download Ref No: NSE/COM/55970 | Date: March 13, 2023 |
| Circular Ref. No: 10/2023 | |

All Members,

Participation of SEBI registered Foreign Portfolio Investors (FPIs) in Exchange Traded Commodity Derivatives

In order to promote institutional participation in Exchange Traded Commodity Derivatives (ETCDs), SEBI vide circular No. SEBI/HO/MRD/MRD-RAC-1/P/CIR/2022/131 dated September 29, 2022 had allowed foreign investors to participate in Indian ETCDs through the FPI route, subject to conditions prescribed by SEBI.

Accordingly, the exchange issued the circular no. 53932 dated October 03, 2022, regarding 'Participation of SEBI registered Foreign Portfolio Investors (FPIs) in Exchange Traded Commodity Derivatives in India'.

In continuation to the above Exchange circular and to provide further clarity on the subject, Members are requested to note that the FPIs are allowed to participate in the Commodity derivatives contracts listed on the exchange platform. The participation of FPIs would be subject to the following:

- To begin with, FPIs will be allowed to participate in cash settled non-agricultural commodity derivative contracts and indices comprising of such non-agricultural commodities.
- A FPI Client can apply for CP codes through a Clearing member (TMCM or PCM) in commodity derivative segment like the process currently laid in other derivative segments.
- FPIs desirous of participating in ETCDs shall be subject to risk management measures applicable from time to time.
- Position Limits:
 - FPIs other than individuals, family offices and corporates may participate in eligible commodity derivatives products as 'Clients' and shall be subject to all rules, regulations and instructions, position limit norms as may be applicable to clients, issued by SEBI and the exchange, from time to time.
 - FPIs belonging to categories viz. individuals, family offices and corporates will be allowed position limit of 20 per cent of the client level position limit in a particular commodity derivative contract.

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- The participation of FPIs including individuals, family offices and corporates shall be subject to compliance with the provisions of SEBI (Foreign Portfolio Investors) Regulations, 2019, SEBI (Custodian) Regulations, 1996 and other applicable SEBI circulars on ETCDs.

For and on behalf of
National Stock Exchange of India Limited

Khushal Shah
Associate Vice President

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