

## Risk Management Department

**This has been Superseded by Notification No. RMD-FX-FF-20-71 dated 30-Dec-2020 on Risk Management Process and Margin Methodology**

No. RMD/FX-FF/12/17

8<sup>th</sup> Aug'12

**FOR INFORMATION OF ALL MEMBERS**

### **Forex Forwards Segment Margin Computation**

Further to our Notifications No. RMD/FX-FF/09-20 dated 5<sup>th</sup> Nov'09 and No. RMD/FX-FF/11/05 dated 14<sup>th</sup> Jul'11 issued in terms of Chapter V (B) and Chapter VIII(C) of the Regulations of the Forex Forwards Segment, the under-mentioned process will be adopted with effect from 10<sup>th</sup> Sep'12 for computation of minimum initial margin for this segment:

2. The Minimum Initial Margin at the portfolio level will be computed at the rate of 2% of the net currency position (i.e. considering all settlement date-wise net US Dollar positions)

3. There will also be a component of Minimum Initial Margin as Spread margin which will be equal to 20% of the difference between minimum Initial Margin at the portfolio level (as in para 2 above) and the higher of:

- a) The Minimum Initial Margin computed considering only net USD buy positions, and
- b) The Minimum Initial Margin computed considering only net USD sale positions.

For both (a) and (b) above, the rate applied for the Initial Margin computation would be 2%.

4. The Sum of "*Portfolio Minimum IM*" and "*Spread Margin*" (as above) will be the applicable Minimum Initial Margin.

**for The Clearing Corporation of India Limited,**

**Sd/-**

**Managing Director**