



PRESS RELEASE

IFSCA sets up a committee for positioning IFSC as a hub for Offshore INR

IFSCA has set up a committee to examine and recommend measures to position IFSC as a hub for offshore INR trading. Shri G. Padmanabhan, Former Executive Director, Reserve Bank of India shall be chairing the committee which will also include bankers and other market participants possessing expertise in clearing and settlement of derivative transactions.

The offshore market for INR consists of derivative instruments that exists in two major forms namely Non-Deliverable Forward (NDF) market in INR and exchange traded currency derivatives (ETCD) involving INR. While the NDF market is an Over the counter (OTC) market where banks act as market makers, the ETCD contracts involving INR consists of futures and options listed on exchanges. Trading in INR NDF is currently concentrated in Singapore, Hong Kong, London, and New York, while ETCD involving INR are listed on exchanges in Chicago, Dubai and Singapore.

Offshore INR trading has also commenced in IFSC from mid-2020. With the experience of the last six months, a need is felt to assess the required regulatory and infrastructural facilities available at the jurisdictions which dominate the volumes in offshore INR and replicate the same at IFSC. Accordingly, the committee has been mandated to recommend specific measures to bring the regulatory and infrastructural facilities at IFSC at par with such foreign jurisdictions. The committee shall have a term of three months and shall submit its report to the Chairman, IFSCA.

The Authority also seeks inputs from interested parties with expertise in this domain. Such inputs, in the form of comments, recommendations etc., may be forwarded by email to supriyo.b@ifsc.gov.in. Persons who wish to make presentations to the committee may also send their request to the given email id.

Gandhinagar

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