

FIMCIR/2012-13/53

March 28, 2013

To,

FIMMDA Members

Dear All

STANDARDISATION OF INTERBANK IRS CONTRACTS

Effective from April 1, 2013

Please refer to RBI Circular IDMD.PCD.2191/14.03.01/2012-13 dated January 28, 2013 informing the Market Participants that to improve tradability and facilitate centralized clearing and settlement of IRS contracts in future, it has been decided to standardise IRS contracts.

In consultation with Market Participants and the regulator, we have finalized the parameters for Standardisation of IRS Contracts which will be effective from April 1, 2013.

To begin with, standardization shall be mandatory for INR Mumbai Interbank Offer Rate (MIBOR) - Overnight Index Swap (OIS) contracts. The standardization requirement shall be mandatory for all IRS contracts other than client trades. All new INR MIBOR -OIS contracts executed from April 1, 2013 onwards will be as per the standards mentioned in the annexure.

Please note that interbank bespoke contracts in IRS are not permitted.

Any practical difficulties encountered may kindly be brought to our notice.

All Market Participants are advised to adhere to the instructions.

With regards,

Yours truly,

D.V.S.S.V. Prasad

Dy. Chief Executive Officer



Nurturing Markets,
Widening Horizons

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ANNEXURE

PARAMETERS FOR IRS CONTRACTS

1. **Minimum Notional Principal Amount** : Rs 25 crores and multiples of Rs 5 crores thereafter
2. **Tenor:** Rolling 1,2,3,6,9,12 months and 2, 3, 4, 5, 7, and 10 years.
3. **Settlement Calculations** : (i) for contracts of 1 year and below – at maturity
(ii) for contracts of maturity beyond 1 year – on a semi – annual basis
4. **Floating Rate:** FIMMDA –NSE MIBOR.
5. **Trading Hours:** 9.00 am to 5.00 pm, Mondays to Fridays.

All other features remain as spelt out in Chapter 7 of FIMMDA Handbook of Market Practices.

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