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## **HSBC India executed its first Non-Deliverable FX Derivative Transaction with Reliance Industries Limited.**

HSBC India today announced the completion of its inaugural INR Non-Deliverable Options transaction with Reliance Industries Limited. The Bank also executed Non-Deliverable Forward transactions with other counterparties. HSBC is one of the first banks to execute transactions with resident entities post the announcement of liberalized guidelines by the central bank yesterday evening.

Reserve Bank of India (RBI) through its recent circular issued on 6<sup>th</sup> June 2023 permitted Non-Deliverable Derivative Contracts (NDDCs) involving INR to be offered to resident non-retail users with immediate effect. RBI had earlier permitted banks with a presence in International Financial Services Centre (IFSC) Banking Units (IBUs) to offer NDDCs to non-resident entities and has now extended the flexibility to resident non-retail entities.

Anita Mishra, Head of Markets & Securities Services, HSBC India, said, "We are delighted to execute the first Non-Deliverable Derivative Contracts (NDDCs) with a resident entity today. This transaction further reaffirms our capabilities and market expertise amidst the evolving environment. We would like to thank the Reserve Bank of India for this liberalisation as it will structurally make onshore and offshore pricing more aligned. This will also ensure a prudent functioning of the market, thereby providing better liquidity, price discovery, transparency and access to market participants. With a wider set of participants now being allowed to access both deliverable and non-deliverable markets, we look forward to working closely with our clients across various industry transitions."

The newly-permitted transactions will be cash-settled in INR. The RBI's decision to allow banks to offer NDDCs involving INR to resident entities is expected to align INR hedging curves in onshore and offshore markets.

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### **HSBC Bank India**

The Hongkong and Shanghai Banking Corporation Limited in India offers a full range of banking and financial services through 26 branches across 14 cities. HSBC is one of India's leading financial services groups, with around 39,000 employees in its banking, investment banking and capital markets, asset management, insurance, software development and global resourcing operations in the country. It is a leading custodian in India. The Bank is at the forefront in arranging deals for Indian companies investing overseas and foreign investments into the country.

### **HSBC Holdings plc**

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 62 countries and territories. With assets of US\$2,990bn at 31 March 2023, HSBC is one of the world's largest banking and financial services organizations.