

Headline: No transaction fee on cross currency derivatives trade

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LEADING BOURSE NSE will not levy any transaction fee on the trades done in cross currency derivatives for three months starting on Tuesday, in order to encourage active participation in such contracts.

The exchanges — BSE and NSE — have launched trading in cross-currency futures and options (F&O) derivatives from Tuesday. The trading in such contracts would be available between 9:00 AM and 7:30 PM.

The move will help in direct hedging of foreign currency exposures as well as improving liquidity in existing currency contracts.

“In order to encourage active participation in cross currency F&O contracts, it has been decided that no transaction charges will be levied on the trades done in cross currency F&O contracts... from February 27, 2018 till May 31, 2018,” NSE said in a circular issued late night on Monday.

The announcement comes after NSE, last week, received markets regulator



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Sebi's approval for introducing cross-currency derivatives on pairs such as Euro (EUR)-US Dollar (USD), Pound Sterling (GBP)-USD and USD-Japanese Yen (JPY).

Additionally, the exchange has also received permission to introduce option on EUR-INR, GBP-INR and JPY-INR in addition to existing USD-INR.

Under the new contracts, stock brokers, domestic institutional investors, FPIs and clients, are allowed to take positions in the exchange traded cross-currency futures and option contracts.