

# ISDA

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**BY FAX (9122 266 1784/267 5831)  
AND BY COURIER**

Dr. Bimal Jalan, Governor  
Dr. Y.V. Reddy, Deputy Governor  
Reserve Bank of India  
Central Office  
Central Office Building  
Mumbai 400 001  
India

28 August 2001

Dear Dr. Jalan and Dr. Reddy,

**Re : Circular dated 23rd June, 2000 relating to Foreign Currency - Rupee Swaps**

The International Swaps and Derivatives Association, Inc. ("ISDA") respectfully requests the opportunity to submit this additional letter to the Reserve Bank of India ("RBI") in relation to the circular No. EC.FMD.No.676/02.03.75/99-2000 dated 23rd June, 2000 (the "Circular") on foreign currency-rupee swaps.

Further to our letter of 4th May, 2001 to you in relation to the Circular, ISDA understands from the market participants that there has been a recent relaxation of the restrictions imposed by reason of the Circular. Although ISDA is not aware of any formal circulars relating to this, ISDA understands that RBI now allows authorised dealers to enter into foreign currency-rupee swaps which are not fully matched up to certain limits.

ISDA's members, in India and abroad, would very much welcome confirmation of such recent developments and as a result ISDA is very keen to learn from RBI directly of the details relating to these new policies. To fully appreciate the developments of the derivatives market in India, it would be very helpful if RBI would be able to provide us with a clarification of these improved policies.

If RBI has any questions regarding ISDA's comments, as outlined in the 4th May letter or wishes to discuss any issues arising on the Circular, ISDA would be most grateful if RBI could contact Mr. Mistry on 852-2822 3818 in Hong Kong or Ms. Papesch on 65-538 3879 in Singapore.

Yours faithfully,

For the International Swaps and  
Derivatives Association, Inc.



Azam Mistry  
ISDA Board of Directors &  
Director, Head of Risk Management Advisory  
Treasury and Capital Markets  
The Hongkong and Shanghai Banking Corporation Limited



Angela Papesch  
Head of Asia-Pacific Office