

Undertaking Regarding Exchange Traded Foreign Exchange Derivative Contracts

Date -

To:

RMS Department,

Econo Broking Pvt. Ltd.

I/We, the undersigned, hereby acknowledge and undertake the following regarding our dealings in exchange-traded foreign exchange derivative contracts through Econo Broking Pvt. Ltd.:

1. General

- I/We hereby undertake that I am fully aware of my dealings in the currency derivative contracts undertaken in my trading account with / through Econo Broking Pvt. Ltd.
- I/We have notified my Broker, Econo Broking Pvt. Ltd. promptly of any change in my KYC information, including any information concerning my income and investment profile and will also notify / inform in future as well, in case of change in my KYC information, including any information concerning my income and investment profile.
- All My/Our Dealings in the Currency Derivative Contracts are through My/Our own funds / have been funded by (specify the name of the financier)_____.(Strike Off whichever is not applicable)

2. Position Limits and Underlying Exposure:

- I/We acknowledge that for exchange-traded foreign exchange derivative contracts involving INR, Exchanges allow users to take positions, up to a single limit of USD 100 million equivalent across all currency pairs involving INR, without the requirement to establish the existence of underlying exposure.
- I/We understand that while not obligated to establish underlying exposure, I/We will ensure the presence of a valid underlying contracted exposure which has not been hedged using any other derivative contract. I/We commit to being able to establish the same if required.

3. Designation of Authorised Dealer/Custodian:

- In the event of intending to take positions beyond USD 100 million (or equivalent) in contracts involving INR across all exchanges, I/We will designate an Authorised Dealer/Custodian.
- I/We understand that the designated Authorised Dealer/Custodian will monitor transactions to ensure compliance with regulations, including the backing of all positions by contracted exposure, absence of hedging using other derivative contracts, and appropriate adjustments to hedge if exposure ceases to exist.

4. Risk Awareness:

- I am aware about the attached NCL Circular (NCL/CD/45518 dated August 31, 2020) and RBI Notification (RBI/2023-24/108 A.P. (DIR Series) Circular No. 13, dated January 05, 2024)
- I/We understand that Exchanges will ensure that participants are adequately informed of the risks associated with exchange-traded currency derivatives and shall abide by exchange and RBI guidelines in this regard.

I/We affirm our understanding and commitment to comply with the regulations and guidelines set forth by the Reserve Bank of India regarding exchange-traded foreign exchange derivative contracts.

I understand that providing any incomplete, false or incorrect information may give effect to liability under provisions of SEBI / NSE / RBI's Act / Regulations / Rules / Circulars / Guidelines.

Client's Signature: _____

Client's Name (Printed): _____

Date: _____

Kindly thoroughly review and understand the contents of this undertaking before signing.