

SEBI Eases NRI Derivative Trading Regulations

The Securities and Exchange Board of India (SEBI) vide its **Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/109, dated July 29, 2025**, has simplified the monitoring of Non-Resident Indian (NRI) position limits in exchange-traded derivatives.

Previously, NRIs were required to inform exchanges about their clearing members, and exchanges would assign a unique Custodial Participant (CP) Code for monitoring. However, this mandate has been removed to enhance operational efficiency and ease of investment for NRIs.

Now, exchanges and clearing corporations will monitor NRI position limits for those without a CP code in the same way they monitor client-level position limits, which remain consistent with SEBI's specified limits.

Stock exchanges and clearing corporations must update their rules and operational procedures within 30 days and allow existing NRI clients to exit the CP code system via email request within 90 days. They also need to provide an option for NRIs who initially opt for a CP code to later exit it.

This measure aims to streamline processes for NRIs participating in the derivatives market.

Link - https://www.sebi.gov.in/legal/circulars/jul-2025/operational-efficiency-in-monitoring-of-non-resident-indians-nris-position-limits-in-exchange-traded-derivatives-contracts-ease-of-doing-investment_95679.html