



*International Swaps and Derivatives Association, Inc.*

**REGULATORY MARGIN SELF-DISCLOSURE LETTER –  
INDIA SUPPLEMENT**  
*published on September 19, 2022*  
*by the International Swaps and Derivatives Association, Inc.*

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*Various jurisdictions are implementing regulatory margin requirements for uncleared derivatives transactions based on the framework published by the Basel Committee on Banking Supervision and the International Organization of Securities Commissions.<sup>1</sup> Regulatory margin requirements based on the BCBS-IOSCO Framework have been proposed or adopted in, relevantly, (i) Canada, (ii) the European Union, (iii) Japan, (iv) Switzerland, (v) the United States, (vi) Australia, (vii) Hong Kong, (viii) Singapore, (ix) Korea, (x) Brazil, (xi) Mexico, (xii) United Kingdom, (xiii) South Africa and (xiv) India, and it is expected that other jurisdictions will propose and adopt similar requirements. The ISDA Regulatory Margin Self-Disclosure Letter, published on June 30, 2016 (“Original Self-Disclosure Letter”), is intended to assist market participants with the exchange of the information necessary to determine if, and when, their trading relationship will become subject to regulatory margin requirements for uncleared swaps in one or more of the following jurisdictions: (i) Canada, (ii) the European Union, (iii) Japan, (iv) Switzerland, and (v) the United States. The Original Self-Disclosure Letter is available at <http://www2.isda.org/functional-areas/wgmr-implementation/isda-regulatory-margin-self-disclosure-letter/>. This Self-Disclosure Letter is intended to provide market participants with a standard form for providing counterparties with information necessary to determine if and when compliance with the Indian regulatory margin regime will be required. The information provided in this Letter is being provided solely for making such determinations. This Self-Disclosure Letter is a stand-alone document. Counterparties may exchange information using this Letter without exchanging the Original Self-Disclosure Letter. Market participants who wish to provide information necessary to determine if and when the Indian regulatory margin regime and one or more of the regulatory margin regimes covered by the Original Self Disclosure Letter apply should exchange both this Letter and the Original Self-Disclosure Letter.*

**Capitalized terms used in this Letter are defined in Appendices I-II.**

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<sup>1</sup> See Margin requirements for non-centrally cleared derivatives (Apr. 2020) (“BCBS-IOSCO Framework”), available at <https://www.bis.org/bcbs/publ/d499.htm>

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### **Instructions:**

Section 1 of this Self-Disclosure Letter (the “**Letter**”) requests general information about the market participant on whose behalf this Letter will be delivered (referred to herein as “**Principal**”). Section 2 of this Letter requests **India** specific information.

This Letter should be completed and delivered on behalf of Principal to another market participant (referred to herein as “**Recipient**”) if Principal or Recipient may be subject to the Indian regulatory margin regime, including if **India** is a jurisdiction that they have been informed or otherwise have reason to conclude is a jurisdiction in which Recipient is generally regulated for purposes of uncleared derivatives margin. In addition, market participants that are subject to direct regulation under the uncleared derivatives margin rules of India should complete this Letter. This Letter does not need to be completed if **India** specific information is not required for the particular relationship between Principal and Recipient.

For example, if this Letter is being delivered to a Recipient that is a Domestic Covered Entity or a Foreign Covered Entity (as defined in paragraph 4.1 of the Master Direction- Reserve Bank of India (Variation

Margin) Directions 2022 (as amended from time to time), such Recipient will likely need the information requested in this Letter to determine whether and how the **India** Margin Requirements applies to the particular relationship between Principal and Recipient. At the same time, if Principal is itself a Domestic Covered Entity or a Foreign Covered Entity, Recipient will likely need this information for its own purposes, including (if it is regulated in a different jurisdiction) potential application of substituted compliance and other rules.

Thus, when preparing to fill out this Letter for particular Recipients, market participants should consider obtaining instructions from the Recipient ahead of time if it is not clear whether the Recipient needs this Letter completed.

If you are unsure of whether the Indian regulatory margin regime will apply to Principal's relationship with a Recipient, you should contact the applicable Recipient. Market participants may exchange contact information for this purpose by using Section 1(c).

**1. General Biographical Information**

*Please complete this Section 1 with the biographical information of the Principal. Definitions of certain terms used in this Section 1 are set forth in Appendix I to this Letter.*

**(a) Principal Information**

Legal Name: \_\_\_\_\_

Entity Identifier: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Country: \_\_\_\_\_

City/State: \_\_\_\_\_

Zip/Postal Code: \_\_\_\_\_

**(b) Multibranch Entity Information<sup>2</sup>**

Is Principal a Multibranch Entity?

Yes

No

**(c) Contact Information**

*This space may be used to provide contact information to a Recipient who may have questions about information provided by Principal in its Letter or about what information to provide in its corresponding Letter to Principal. This contact information is not required and is solely for purposes of providing an address for Recipient to direct questions regarding this Letter or Principal.*

Name: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Phone: \_\_\_\_\_

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<sup>2</sup> It may be necessary to identify branches for purposes of establishing when a pair of counterparties is within the scope of margin rules. See, e.g. paragraph 4.1 of the India RBI Margin Directions.

## 2. **India Information**

*If the India Margin Requirements may apply to the relationship between Principal and Recipient (i.e., if either Principal or Recipient is an entity subject to the India Margin Requirements), please complete each relevant subsection of this Section 2. Definitions of certain terms used in this Section 2 are set forth in Appendix II to this Letter.*

### (a) **India Margin Requirements Entity Status**

*Please check one box for each of the questions below. By checking a box, Principal is indicating that its entity status for purposes of India Margin Requirements is the status specified next to the box checked.*

#### (i) Excluded Entity

*If Principal is an Excluded Entity, please check one or more of the boxes below to indicate what type of Excluded Entity it is. If Principal identifies itself as an Excluded Entity, it does not need to complete the rest of this Letter.*

Government of India or State Government

Foreign Sovereign

Central Bank

Multilateral Development Bank<sup>3</sup>

Bank for International Settlements

#### (ii) Foreign Covered Entity

*If Principal has not been identified as an Excluded Entity in Section 2(a)(i), please indicate if Principal is a Foreign Covered Entity.*

Yes

No

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<sup>3</sup> As provided under paragraph 5.5 of [RBI Master Circular on Basel III Capital Regulations dated April 01, 2022](#), as amended from time to time.

- (iii) Domestic Covered Entity – Indian branch of a foreign bank<sup>4</sup>

*If Principal, has an Indian branch or is an Indian branch of a foreign bank, in each case, a Domestic Covered Entity, please indicate this below.*

Yes

No

- (iv) Domestic Covered Entity (other than an Indian branch of a foreign bank)

*If Principal has not been identified as an Excluded Entity in Section 2(a)(i), please indicate if Principal is a Domestic Covered Entity (other than an Indian branch of a foreign bank).*

Yes

No

(b) ***Deemed compliance for Covered Transactions with a Foreign Covered Entity***

- (i) *If Principal has been identified as a Foreign Covered Entity in Section 2(a)(ii) of the Letter, is the Foreign Covered Entity directly subject to the margin requirements of the foreign jurisdiction in which it is located?*

Yes

No

- (ii) *If Principal has been identified as a Foreign Covered Entity in Section 2(a)(ii) of the Letter and directly subject to the margin requirements of the foreign jurisdiction in which it is located, please indicate such jurisdiction by checking the relevant box below.*

Australia

Brazil

Canada

A member state of the European Union

Hong Kong

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<sup>4</sup> The Principal could identify as a Foreign Covered Entity and as well as a Domestic Covered Entity if it is a foreign bank and has an Indian branch that satisfies the relevant thresholds.

- Japan
- Republic of Korea
- Russia
- Singapore
- South Africa
- Switzerland
- United Kingdom
- United States
- None of the above. Please state the foreign jurisdiction \_\_\_\_\_

(c) **2022 India AANA Information**

*If Principal has been identified as a Foreign Covered Entity in Section 2(a)(ii) or if Principal (or its Indian branch) has been identified as a Domestic Covered Entity in Section 2(a)(iii) or (iv) of the Letter, please complete each of the questions below, as applicable.*

(i) India AANA Threshold

(1) *For a Foreign Covered Entity, please check one of the boxes below*

- Foreign Covered Entity is a Non-resident Financial Entity and the India AANA for 2022 is USD 3 billion and above on a consolidated basis.*
- Foreign Covered Entity is a Non-resident Entity (other than a Non-resident Financial Entity mentioned in the checkbox directly above) and India AANA for 2022 is USD 8 billion and above on a consolidated basis.*

(2) *For a Domestic Covered Entity, please check one of the boxes below*

- Domestic Covered Entity is an entity regulated by a Financial Sector Regulator and India AANA for 2022 is INR 250 billion and above on a consolidated basis.*
- Domestic Covered Entity is a Resident entity (other than an entity regulated by a Financial Sector Regulator mentioned in the checkbox directly above) and the India AANA for 2022 is INR 600 billion and above on a consolidated basis.*

(ii) India AANA Threshold Estimate

(1) *If Principal is (or, as relevant, has an Indian branch which is):*

- I. a Non-resident Financial Entity and the India AANA is not USD 3 billion and above, on a consolidated group wide basis; or*
- II. a Non-Resident Entity and the India AANA is not USD 8 billion above, on a consolidated group wide basis; or*
- III. an entity regulated by a Financial Sector Regulator and the India AANA is not INR 250 billion and above, on a consolidated group wide basis; or*
- IV. a Resident Entity and the India AANA is not INR 600 billion and above, on a consolidated group wide basis,*

*please indicate the estimated year (if any) in which Principal expects to cross the relevant India AANA threshold by checking the appropriate box below. A person completing this form may also select "Decline to answer" in this section.*

*This information is not mandatory, is not a representation that Principal will, in fact, cross the relevant threshold in the indicated year, and is provided solely to enable Recipient to plan for future documentation or other changes that may be necessary to comply with India Margin Requirements.*

- 2023
- 2024
- 2025
- 2026
- None of the above
- Decline to answer

The information provided in this Letter is, to the best of Principal's knowledge and belief, accurate as of the date of completion of this Regulatory Margin Self-Disclosure Letter – India Supplement. The Principal agrees to promptly provide updates if any such information changes in any material respect.

Name of Principal<sup>5</sup>

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date of Completion: \_\_\_\_\_

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<sup>5</sup> If this Letter is being delivered by an agent on behalf of one or more Principals, the agent should insert “as agent for [name of Principal] [the Principals named on the attached sheet].” If the agent is acting on behalf of more than one Principal, (i) it may list the names of such Principals on a separate sheet and (ii) this Letter should be treated as if it were a separate Letter with respect to each Principal listed on such sheet. Similarly, if this Letter is being delivered by a trustee on behalf of one or more trusts or trust funds, the trustee should insert “as trustee for [name of trust or trust fund] [the [trusts] [trust funds] named on the attached sheet].”

## **Appendix I: Definitions – General Biographical Information**

“**Entity Identifier**” means an [LEI/GEI/other acceptable identifier].

“**Letter**” or “**Self-Disclosure Letter**” means this Regulatory Margin Self-Disclosure Letter – India Supplement, as published by the International Swaps and Derivatives Association, Inc. on September 19, 2022.

“**Multibranch Entity**” means a bank or other entity that has local branches, offices or agencies in multiple jurisdictions for purposes of the India Margin Requirements.

“**Principal**” means the market participant whose information is disclosed in this Letter, as identified in Section 1(a).

“**Recipient**” means the derivatives counterparty of Principal to whom this Letter is or will be delivered.

## Appendix II: Definitions - India

“**Consolidated group**” means a group within the meaning of Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements, or International Financial Reporting Standards (IFRS) 10 - Consolidated Financial Statements or any other equivalent accounting standards.

“**Covered Transactions**” means Non-centrally cleared derivatives as defined in paragraph 2(1) of the India RBI Margin Directions excluding the Excluded Transactions.

“**Domestic Covered Entity**” means (i) an entity regulated by a financial sector regulator (including branches of foreign banks operating in India) and having an India AANA of INR 250 billion and above, on a consolidated group wide basis; or (ii) other Resident entity having an India AANA of INR 600 billion and above, on a consolidated group wide basis.

“**Excluded Entity**” means an entity set out in paragraph 4.3 (3) of the India RBI Margin Directions which is not subject to the India Margin Requirements.

“**Excluded Transactions**” means a non-centrally cleared derivative which is a physically settled foreign-exchange forward and a physically-settled foreign exchange swap.

“**Financial Entity**” means an entity which is engaged predominantly in any one or more of the following activities – banking, lending, insurance, management of retirement fund schemes, securities business, custodial and safekeeping services, portfolio management (including asset management and funds management), securitisation, operation of a remittance or money changing service and activities that are ancillary to the conduct of these activities.

“**Financial Sector Regulator**” means the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI), the Insurance Regulatory and Development Authority of India (IRDAI) and the Pension Fund Regulatory and Development Authority (PFRDA).

“**Foreign Covered Entity**” means (i) a Non-resident Financial Entity having an India AANA of USD 3 billion and above, on a consolidated group wide basis; or (ii) other Non-resident entity having an India AANA of USD 8 billion and above, on a consolidated group wide basis.

“**India**” means the Republic of India.

“**India AANA**” means the simple average of the total notional amount of outstanding Non-centrally cleared derivatives as at the end of March, April and May of the given year for a Consolidated group, including in respect of Excluded Transactions and other Non-centrally cleared derivatives which are not Covered Transactions. India AANA for a year shall be used for recognition of Domestic Covered Entities and Foreign Covered Entities for a one-year period from September 1 of that year to August 31 of the next year.

“**India Margin Requirements**” means the margin requirements set out in the India RBI Margin Directions.

“**India RBI Margin Directions**” means the Master Direction – Reserve Bank of India (Variation Margin) Directions, 2022 issued by the Reserve Bank of India on 1<sup>st</sup> June 2022, as amended from time to time.

“**INR**” means Indian Rupees.

***“Non-centrally cleared derivatives”*** means derivative contracts whose settlement is not guaranteed by a central counterparty.

***“Non-resident”*** means and includes a ‘person resident outside India’ as defined in Section 2(w) of the Foreign Exchange Management Act, 1999.

***“Resident”*** means and includes a ‘person resident in India’ as defined in Section 2(v) of the Foreign Exchange Management Act, 1999.