

## **FCY-FCY Interbank Fx Currency Option**

- 1) All the major PET (Primary Economic Parameters) of FCY-FCY Interbank Fx trades reported and matched in CCIL TR are disseminated with a lag of 7 business day.
- 2) Tenor is calculated as Option Expiry date – Trade date and is actual nos of days.
- 3) In case of mismatch between the Spot Rate reported by the counterparties, the average of the reported Spot Rates is used for dissemination subject to it passing the Tolerance Check. The Tolerance Check is conducted to ensure that the divergence between the reported Spot Rate is within the Threshold Limit. The Threshold Limit is currently fixed at 10% of the higher of the two reported Spot Rates. Trades which fail the Tolerance Check are not considered for dissemination
- 4) In case of mismatch between the IVs reported by the counterparties, the average of the reported IVs is used for dissemination subject to it passing the Tolerance Check. The Tolerance Check is conducted to ensure that the divergence between the reported IVs is within the Threshold Limit. The Threshold Limit is currently fixed at 10% of the higher of the two reported IVs. Trades which fail the Tolerance Check are not considered for dissemination.
- 5) Logic for derivation of the Trade Execution Time from the reported trades:
  - A) This Trade Execution Time is disseminated as reported by members.
  - B) Where both members to the option trade have reported different Trade Execution Time, the earliest trade time stamp (of the two deals that is reported by both members) is considered as the trade execution time.