



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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December 09, 2025

RBI releases Draft Circular on Disclosure of Transaction Cost for Foreign Exchange Transactions

The Reserve Bank of India today placed on its website the [Draft Circular on Disclosure of Transaction Cost for Foreign Exchange Transactions](#). Comments on the draft circular are invited from banks, market participants and other interested parties by January 09, 2026.

Feedback on the draft circular may be forwarded to:

The Chief General Manager
Reserve Bank of India
Financial Markets Regulation Department
9th Floor, Central Office Building
Shahid Bhagat Singh Marg, Fort
Mumbai – 400 001

Or by [email](#) with subject line “Feedback on Draft Circular on Disclosure of Transaction Cost for Foreign Exchange Transactions”.

Background and Objective

To enhance transparency in the foreign exchange market, in January 2024, Authorised Dealers were mandated to provide the mid-market mark / bid and ask price of the foreign exchange derivative contract / foreign currency interest rate derivative contract before entering into the contract with a retail user and include the same in the deal confirmation / term sheet. As a further step towards promoting greater transparency in the foreign exchange market, it is proposed to mandate Authorised Dealers to provide the details of transaction cost (remittance fees, foreign exchange rate, currency conversion charges etc.), associated with foreign exchange cash, foreign exchange tom and foreign exchange spot contracts offered to retail users.

**RESERVE BANK OF INDIA
FINANCIAL MARKETS REGULATION DEPARTMENT
9TH FLOOR, CENTRAL OFFICE, FORT
MUMBAI 400 001**

To,

All Authorised Dealers

Madam/Sir,

Disclosure of transaction cost for foreign exchange transactions - Draft

A reference is invited to the [Master Direction – Risk Management and Inter-Bank Dealings dated July 05, 2016](#), as amended from time to time (hereinafter referred as 'Master Direction'), in terms of which Authorised Dealers have been permitted to offer the following foreign exchange contracts, involving INR or otherwise, to users (both retail and non-retail):

- a. foreign exchange cash;
- b. foreign exchange tom;
- c. foreign exchange spot;
- d. foreign exchange derivative contracts; and
- e. foreign currency interest rate derivative contracts.

2. In terms of the aforesaid Master Direction, while offering foreign exchange derivative / foreign currency interest rate derivative to a retail user, an Authorised Dealer shall provide the mid-market mark / bid and ask price of the derivative before entering into the contract and the same must also be included in the deal confirmation / term sheet.

3. Further to this, on a review, it has been decided that while offering foreign exchange cash, foreign exchange tom and foreign exchange spot contracts to a retail user, Authorised Dealers shall provide to the user, details of the total transaction cost (showing all relevant costs and charges *viz.*, sending and receiving fees including those of any intermediaries, foreign exchange rate and currency conversion charges), before entering into the contract and also include the same in the deal confirmation.



4. These instructions shall be applicable with effect from three months from the date of issuance of these instructions.
5. For the purpose of this circular, 'retail user' and 'Authorised Dealer' shall have the same meaning as assigned in the Master Direction.
6. The directions contained in this circular have been issued under Section 45W of the Reserve Bank of India Act, 1934 and Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(Dimple Bhandia)
Chief General Manager