



# UNDERSTANDING THE OPERATIONAL CHANGES TO THE FOREIGN EXCHANGE MARKET



# Q&A

WHAT DOES IT MEAN TO COLLAPSE ALL SEGMENTS IN THE FX MARKET INTO THE INVESTORS' AND EXPORTERS' (I&E) WINDOW?



This means all eligible FX transactions in the market shall only be done via the I&E window, all other windows cease to exist.



# Q&A

HOW DOES THE I & E WINDOW FUNCTION?



The I & E market functions by a willing buyer, willing seller system, where an entity with demand for FX seeks out another entity with FX to sell at an agreed price through an authorised dealer.

# Q&A

WHAT IS THE CONCEPT OF THE "WILLING BUYER, WILLING SELLER" MODEL?



In this model, rates are mutually agreed by both parties.



# Q&A

HOW DO WE ACCESS BTA, PTA, MEDICAL, AND SCHOOL FEES WITH THE INTRODUCTION OF THE NEW POLICY?



PTA, BTA, and other invisible transactions continue to be accessed through the banks at the prevailing market rate.



# Q&A

ARE THERE CHANGES IN THE APPLICATION PROCESS FOR ACCESSING FX UNDER THE NEW POLICY?



There are no changes in the application process. All applications shall be through the banks and all documentation requirements remain the same.



# Q&A

WHAT IS THE WEIGHTED AVERAGE RATE, AND HOW IS IT CALCULATED TO 2 DECIMAL PLACES?



This is a summation of volume of FX traded multiplied by the various rates at which the deals are consummated, divided by total volume of trade.

# Q&A

WHAT ARE GOVERNMENT-RELATED TRANSACTION?



These are transactions with Ministries, Departments and Agencies (MDAs).



# Q&A

WHAT ARE ORDER-BASED TWO-WAY QUOTES?



This is a two-way quote trading in which all transactions are trade backed.



# Q&A

HOW WILL THE ORDER BOOK ENSURE TRANSPARENCY OF ORDERS AND SEAMLESS TRANSACTIONS?



The order book is an electronic trading system where demand can be matched to supply on any given trading day and is visible to the entire market.



# Q&A

CAN THE "43 NON-ELIGIBLE ITEMS" ACCESS FX AT THE I&E WINDOW?



The status quo remains on the 43 non-eligible items. The items are not permitted to be funded from the I & E window.