

NATIONAL STOCK EXCHANGE OF INDIA LIMITED**DEPARTMENT : CURRENCY DERIVATIVES**

Download Ref No : NSE/CD/34599

Date : April 07, 2017

Circular Ref. No : 10/2017

All Members,

Currency Derivatives Consolidated Circular

The Exchange periodically consolidates circulars issued by the department over the period of time to provide one single document to refer various policy and operational matters. This circular is a consolidation of all the previous circulars issued in the items given below.

For the convenience of members, circular is categorised as following:

PART - A

Summary of Important circulars issued during the period April 1, 2016 – March 31, 2017

PART - B

Detailed Consolidated Circular

PART - C

Format of various reports and files provided by the Exchange

For and on behalf of
National Stock Exchange of India Limited

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PART - A

Summary of Important circulars issued during the period April 1, 2016 – March 31, 2017

Sr. No.	Subject	Circular No.	Download No.	Date
1	Levy of fair usage charges for multi-leg orders in derivatives segments	026/2016	CD32602	June 17, 2016
2	Prevention of Self-Trade	028/2016	CD32651	June 24, 2016
3	Changes in the existing file formats in CDS	031/2016	CD32864	July 25, 2016
4	Introduction of Trade Drop Copy Facility	033/2016	CD33127	September 01, 2016
5	NEAT Corporate Manager password reset through ENIT	039/2016	CD33500	October 26, 2016
6	Revision in Trade Execution	048/2016	CD33882	December 26, 2016
7	Consolidated circular on Market Data	050/2016	CD33924	December 30, 2016
8	Tick by Tick market data via Multicast	04/2017	CD34214	February 17, 2017

1. Levy of fair usage charges for multi-leg orders in derivatives segments:

In order to facilitate and encourage fair usage of such order entry facility, trading members are hereby informed that the following charges will be levied for 2 Leg and 3 Leg orders in Currency Derivatives segments. [More](#)

2. Prevention of Self-Trade: Based on members' feedback and to strengthen the Self-Trade Prevention Mechanism further, the applicable provisions are being revised. Members are requested to kindly take note. [More](#)

3. Changes in the existing file formats in CDS: Members are hereby requested to note the changes in Currency Derivatives end of day reports sent daily after-market hours on the Extranet. [More](#)

4. Introduction of Trade Drop Copy Facility: In order to improve operational convenience, Exchange has introduced "Trade Drop Copy" facility. [More](#)

5. NEAT Corporate Manager password reset through ENIT: Members have to now submit request for password reset of NEAT Corporate Manager Id for Currency Derivatives Segment through ENIT for faster processing and online tracking. [More](#)

6. Revision in Trade Execution: Trade execution range for contract has been revised. [More](#)

7. Consolidated Circular on Market Data: This circular is in consolidation of all the previous circulars issued on Market data broadcast. [More](#)

8. Tick by Tick market data via Multicast: This is in continuation of Exchange circular no. NSE/ CD/33924 dated December 30, 2016 to improve member experience. [More](#)

PART - B

Detailed Consolidated Circular

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ITEM 1

MARKET PARAMETERS

In pursuance the Trading Regulations of the Exchange following trading parameters and order attributes are specified for the Currency Derivatives segment:

1.1 Order type/Order book/Order attribute

- Regular lot order
- Stop loss order
- Immediate or cancel
- Spread order

1.2 a. Permitted lot size – Currency Futures & Options

Currency pair	Permitted lot size per contract
USDINR	1000 US Dollars (Futures & Options)
EURINR	1000 Euros
GBPINR	1000 British Pounds
JPYINR	1,00,000 Japanese Yen (since quotation is for 100 Japanese Yen; lot size on trading system shall be 1000 Japanese Yen)

b. Permitted lot size – Interest Rate Futures

One lot shall constitute 2000 units (₹ 2 lakh face value).

Example: Members shall place orders in terms of number of lots. Hence to place an order for buying futures on FUTIRC/ FUTIRT having face value Rs 5 crores, members shall enter $(5,00,00,000/2,00,000) = 250$ in the quantity field on the Trading System.

1.3 Price steps for contracts

Price steps in respect of all currency futures & options and Interest Rate Futures contracts admitted to dealing on the Exchange shall be Rs.0.0025.

1.4 Strike Price

Twelve in-the-money (ITM), Twelve out-of-the-money (OTM) and one at-the-money (ATM) contract strike for each expiry month.

1.5 Base Price & operating ranges applicable to the contracts.

- Base price of all the Currency Futures Contracts (i.e. instrument type FUTCUR) on the first day shall be the theoretical futures price. The base price of the Contracts on subsequent trading days will be the daily settlement price of the futures contracts.
- Base price of Interest Rates Futures Contracts (i.e. FUTIRC/ FUTIRT) on the first day shall be the theoretical futures quote price. The base price of the contracts on subsequent trading days will be the quote price corresponding to the daily settlement price of the futures contracts.
- Base price of all the Currency Options Contracts (i.e. instrument type OPTCUR) on the first day shall be the theoretical options price. The base price of the Contracts on subsequent trading days will be the daily settlement price of the options contracts.

1.6 Price ranges of contracts

- Currency Futures Contracts

There shall be no daily price bands applicable for Currency Futures contracts. However in order to prevent erroneous order entry by members, operating ranges will be kept at +/-3% of the base price for contracts with tenure upto 6 months and 5% for contracts with tenure greater than 6 months. In respect of orders which have come under price freeze, the members would be required to confirm to the Exchange that there is no inadvertent error in the order entry and that the order is genuine. On such confirmation, the Exchange may take appropriate action.

- Interest Rate Futures Contracts

There shall be no daily price bands applicable for FUTIRC, FUTIRT contracts. However in order to prevent erroneous order entry by members, operating ranges will be kept at +/-1% of the base price for FUTIRT contracts and +/-3% of the base price for FUTIRC contracts. In respect of orders which have come under price freeze, the members would be required to confirm to the Exchange that there is no inadvertent error in the order entry and that the order is genuine. On such confirmation, the Exchange may take appropriate action.

- Currency Options Contracts

The Exchange has introduced contract specific operating ranges based on the delta of the options contract using underlying previous close price and volatility subject to a minimum operating range which would be applicable for all contracts. The operating range may be flexed during the day in case the options traded price crosses 80% of the set range, at the discretion of the Exchange.

The Exchange computes operating range for each options contract using the above mentioned method on a daily basis. The operating range so computed shall be applicable for

the next trading day. Members can view the daily price range for the options contracts on NEAT-CDS front end upon double clicking / key (Shift+F8), the options contract on Market Watch screen after uploading the latest cd_contract.txt file.

On flexing the price range, a message shall be broadcast to all the trading terminals. After flexing the price range, the orders entered beyond the new price range shall be subject to price freeze. In respect of all the orders which have come under price freeze, Exchange shall suo motto cancel these orders.

1.7 Trade Execution

- 1) Orders shall be matched and trades shall take place only if the trade price is within the trade execution range based on the reference price of the contract.
- 2) Reference price for each contract shall be computed as follows:
 - At market open – it shall be the theoretical price based on the underlying price. **(Using Implied volatility in case of options contracts and rate of interest - MIFOR).**
(In case of FUTIRC, it shall be the base price of the Contract.)
 - During trading hours – it shall be the simple average of trade prices of that contract in the last 1 minute.
 - For contracts that have traded in the last 1 minute, the reference price shall be revised throughout the day on a rolling basis at 1 minute intervals.
 - For all other contracts the reference price shall be the theoretical price based on the latest available underlying price and shall be revised throughout the day at regular intervals. **(30 minutes)**
(In case of FUTIRC, the reference price shall be the base price of the Contract throughout the day)
- 3) Execution range is the range on both sides of the reference price as given below:

Segment	Contract Months	Reference Price (Rs.)	% of Reference Price	Minimum absolute Range (Rs.)
Futures	Tenure upto 6 months	All	1%	-
	Tenure greater than 6 months	All	2%	-
Options		0.0025 to 0.50	-	0.05
		>0.50	10%	-

Trade execution range for contract on FUTIRC as below:

Instrument	Contract Months	Reference Price (Rs.)	% of Reference Price	Minimum absolute Range (Rs.)
FUTIRC	All	All	0.5%	-

- 4) There is no change to the existing applicable operating ranges. For valid order entry and all orders that are within the operating range shall be accepted as is being done currently.

- 5) If any order which is within the operating range but which may result in a trade outside the execution range is entered then such an order (full or partial as the case may be) shall be cancelled by the Exchange.
- 6) The Exchange may modify the execution range as and when necessary.

1.8 Quantity Freeze

- Quantity Freeze for Currency Futures & Options Contracts shall be 10001 lots or greater i.e. orders having quantity up to 10000 lots shall be allowed.
- Quantity Freeze for FUTIRT contracts shall be 7001 lots or greater i.e. orders having quantity up to 7000 lots shall be allowed.
- Quantity Freeze for FUTIRC contracts shall be 1251 lots or greater i.e. orders having quantity up to 1250 lots shall be allowed.

In respect of orders which have come under quantity freeze, the members would be required to confirm to the Exchange that there is no inadvertent error in the order entry and that the order is genuine. On such confirmation, the Exchange may approve such order. However, in exceptional cases, the Exchange may, at its discretion, not allow the orders that have come under quantity freeze for execution for any reason whatsoever including non-availability of turnover / exposure limits.

1.9 Trading Exigencies

a. Cancel on Logout

‘COL facility at User level’ is being provided. Corporate Manager of a trading member can enable / disable user level COL flag for their users.

The salient features of COL at User level are:

- Corporate Manager shall have an option to enable / disable the user level COL facility for their users
- By default the User level COL facility shall be disabled for all users.
- If a user for whom User level COL flag is enabled logs out, all outstanding orders shall be cancelled for that user.
- Corporate manager can enable/disable users for COL before, after or anytime during the market hours.

‘COL facility at order entry level’ is being provided to users that can be specified for an order. As and when the user is logged out, either a clean sign out (voluntary) or due to any technical reason (involuntary), outstanding orders that are marked with COL shall be cancelled irrespective of whether such User id is enabled for COL or not by Corporate Manager.

The salient features of COL at Order entry level are:

- COL can be specified for Regular Lot, Stop Loss and Spread Orders.
- COL can be specified for Limit as well as Market Order.

- In order entry the default value for COL shall be 'Non-COL'. User shall be required to explicitly select the value for the COL field as 'COL' if required.
- COL can be specified only for Day Orders. COL shall not be applicable to IOC orders.
- User shall not be able to modify COL during order modification.

b. Kill Switch

An additional facility 'Kill Switch' is being provided. When the Kill switch function is executed, all outstanding orders shall be cancelled.

A) Trading member level:

The **trading member level** kill switch shall be available to Corporate Manager of a trading member. When trading member level kill switch is executed, all outstanding orders of that trading member shall be cancelled.

The salient features of trading member level Kill Switch are:

- Only corporate manager can execute this Kill Switch
- All outstanding orders of all users of that trading member shall be cancelled

B) User level:

The **User level** kill switch functionality shall be available to all users. When user level kill switch is executed, all outstanding orders for that user shall be cancelled.

The salient features of Kill Switch at user level are:

- User Level Kill Switch is available to all users.
- On executing user level Kill Switch, all outstanding orders entered by that user shall be cancelled.

1.10 Trade Modification

Trades can be modified with respect to client code / custodial participant code only till the end of trade modification time of the day. Members can access a Trade modification report containing details of the trades modified as follows:

1. Original Trades – which were modified later where the activity type shall be '11'
2. Modified Trades – All instances of the modification of original trade where the activity type shall be '12'.
3. Members are advised to note the following –

Sr No	Description	Action	Remarks
1.	Modify Trade from PRO to CLI	Not Permitted	
2	Modify Trade from CLI to PRO	Not Permitted	
3	Modify client code for all trades of an order	Allowed	

4	Modify client code for a few trades of an order	Allowed	All trades for that order shall be updated to client code as per the latest trade modification at the end of the day.
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The report is available on the Extranet FTP in the online backup folder of the respective member folder. (Refer Part-C, Annexure 9 for file structure)

In case there are no modifications during the day, the member shall receive a 'NIL' report.

A Facility to send multiple trade modification requests for normal trades resulting from the same order number is provided. User will not be able to send individual trade modification using this functionality. User can directly give the order number based on which all the trades of that order will be available for bulk modification. The user can also filter the orders based on Contract descriptor, Client code & CP code.

The bulk trade modification facility will be available by clicking function key (**Shift + F6**), Menu Transaction → Multiple Trade Cxl / Mod or invocation of Single trade modification screen (**Shift + F5**).

Members must take steps to ensure that orders are placed for PRO or CLI correctly. Order Modification (Shift + F2) will be allowed for book type, order price and order quantity only.

1.11 Contract Specification –

• Currency Futures

Symbol		USDINR	EURINR	GBPINR	JPYINR
Market Type		N	N	N	N
Instrument Type		FUTCUR	FUTCUR	FUTCUR	FUTCUR
Unit of trading		1 - 1 unit denotes 1000 USD.	1 - 1 unit denotes 1000 EURO.	1 - 1 unit denotes 1000 POUND STERLING.	1 - 1 unit denotes 100000 JAPANESE YEN.
Underlying / Order Quotation		The exchange rate in Indian Rupees for US Dollars	The exchange rate in Indian Rupees for Euro.	The exchange rate in Indian Rupees for Pound Sterling.	The exchange rate in Indian Rupees for 100 Japanese Yen.
Tick size		0.25 paise or INR 0.0025			
Trading hours		Monday to Friday 9:00 a.m. to 5:00 p.m.			
Contract trading cycle		12 month trading cycle.			
Last trading day		Two working days prior to the last business day of the expiry month at 12:30 noon.			
Quantity Freeze		10,001 or greater			
Base price*		Theoretical price on the 1st day of the contract. On all other days, DSP of the contract.	Theoretical price on the 1st day of the contract. On all other days, DSP of the contract.	Theoretical price on the 1st day of the contract. On all other days, DSP of the contract.	Theoretical price on the 1st day of the contract. On all other days, DSP of the contract.
Price range	Tenure upto 6 months	+/- 3 % of base price.			
	Tenure greater than 6 months	+/- 5% of base price.			
Calendar spreads**		Spread Combinations are available for trading M1 – M2 M1 – M3 M1 – M4 M1 – M5 M1 – M6 M2 – M3 M2 – M4 M2 – M5	Spread Combinations are available for trading M1 – M2 M1 – M3 M1 – M4 M2 – M3 M2 – M4 M3 – M4	Spread Combinations are available for trading M1 – M2 M1 – M3 M1 – M4 M2 – M3 M2 – M4 M3 – M4	Spread Combinations are available for trading M1 – M2 M1 – M3 M1 – M4 M2 – M3 M2 – M4 M3 – M4

	M2 – M6 M3 – M4 M3 – M5 M3 – M6 M4 – M5 M4 – M6 M5 – M6 M6 – M12			
Mode of settlement	Cash settled in Indian Rupees			

- **Currency Options**

Symbol	USDINR
Market type	N
Instrument type	OPTCUR
Option type	Premium style: European ,Call & Put Options (CE / PE)
Premium	Premium quoted in INR.
Unit of trading	1 contract unit denotes USD 1000
Underlying / Order Quotation	The exchange rate in Indian Rupees for US Dollars
Tick size	0.25 paise i.e. INR 0.0025
Trading hours	Monday to Friday 9:00 a.m. to 5:00 p.m.
Contract trading cycle	3 serial monthly contracts followed by 1 quarterly contracts of the cycle March/June/September/December
Strike price	12 In-the-money, 12 Out-of-the-money and 1 Near-the-money. (25 CE and 25 PE)
Strike price intervals	INR 0.25
Price range	Contract specific price range based on the delta of the option contract
Quantity freeze	10,001 or greater
Base price*	Theoretical price on the 1st day of the contract. On all other days, DSP of the contract.
Expiry/Last trading day	Two working days prior to the last business day of the expiry month at 12:30 noon.
Mode of settlement	Cash settled in Indian Rupees

- **Cash Settled Interest Rate Futures**

Market Type	N
Instrument Type	FUTIRC
Unit of trading	1 lot - 1 lot is equal Rs. 2 lakhs face value of GOI securities equivalent to 2000 units.
Underlying	• Futures contracts based on 7.59% Central Government Security having maturity on January 11, 2026 • Futures contracts based on 7.68% Central Government Security having maturity on December 15, 2023 • Futures contracts based on 7.59% Central Government Security having maturity on March 20, 2029 • Futures contracts based on 7.61% Central Government Security having maturity on May 09, 2030 • Futures contracts based on 6.97% Central Government Security having maturity on September 06, 2029 • Futures contracts based on 6.84% Central Government Security having maturity on December 19, 2022 • Futures contracts based on 6.79% Central Government Security having maturity on December 26, 2029 • Futures contracts based on 7.72% Central Government Security having maturity on May 25, 2025 • Futures contracts based on 7.88% Central Government Security having maturity on Mar 19, 2030
Tick size	Rs.0.0025
Trading hours	Monday to Friday 9:00 a.m. to 5:00 p.m.
Contract trading cycle	Three serial monthly contracts/ Three Quarterly contracts
Last trading day	Last Thursday of the month. In case the last Thursday is a trading holiday, the previous trading day shall be the expiry/last trading day
Quantity Freeze	1251 lots or greater
Base price*	Theoretical price of the 1st day of the contract. On all other days, DSP of the contract.
Price range	+/-3 % of the base price
Mode of settlement	Daily Settlement in Cash.

- **Interest Rate Futures – 91DTB**

Symbol	91DTB
Market Type	N
Instrument Type	FUTIRT
Unit of trading	One contract denotes 2000 units (Face Value Rs.2 lacs)
Underlying	91-day Government of India (GOI) Treasury Bill
Tick size	0.25 paise i.e. INR 0.0025
Trading hours	Monday to Friday 9:00 a.m. to 5:00 p.m.
Contract trading cycle	3 serial monthly contracts followed by 3 quarterly contracts of the cycle March/June/September/December
Last trading day	Last Wednesday of the expiry month at 1.00 pm In case last Wednesday of the month is a designated holiday, the expiry day would be the previous working day
Price Quotation	100 minus futures discount yield e.g. for a futures discount yield of 5% p.a. the quote shall be $100 - 5 = \text{Rs } 95$
Contract Value	$\text{Rs } 2000 * (100 - 0.25 * y)$, where y is the futures discount yield e.g. for a futures discount yield of 5% p.a. contract value shall be $2000 * (100 - 0.25 * 5) = \text{Rs } 197500$
Quantity Freeze	7,001 lots or greater
Base price	Theoretical price of the first day of the contract On all other days, quote price corresponding to the daily settlement price of the contracts
Price range	+/-1 % of the base price
Mode of settlement	Settled in cash in Indian Rupees

* DSP refers to daily settlement price

** M denotes expiry month

ITEM 2

TRADING HOLIDAYS AND TRADING HOURS

2.1 Trading Holidays

The currency derivatives segment shall remain closed on Saturday and Sunday, unless it is explicitly stated otherwise. The trading holidays for the calendar year 2017 are as below.

https://www.nseindia.com/global/content/market_timings_holidays/market_timings_holidays.htm

Sr. No.	Date	Day	Description
1	January 26, 2017	Thursday	Republic Day
2	February 24, 2017	Friday	Mahashivratri
3	March 13, 2017	Monday	Holi
4	March 28, 2017	Tuesday	Gudi Padwa
5	April 04, 2017	Tuesday	Ram Navami
6	April 14, 2017	Friday	Good Friday Dr. Baba Saheb Ambedkar Jayanti
7	May 01, 2017	Monday	Maharashtra Day
8	May 10, 2017	Wednesday	Buddha Pournima
9	June 26, 2017	Monday	Id-UI-Fitr (Ramzan ID)
10	August 15, 2017	Tuesday	Independence Day
11	August 17, 2017	Thursday	Parsi New Year
12	August 25, 2017	Friday	Ganesh Chaturthi
13	October 02, 2017	Monday	Mahatama Gandhi Jayanti
14	October 19, 2017	Thursday	Diwali-Laxmi Pujan*
15	October 20, 2017	Friday	Diwali-Balipratipada
16	December 01, 2017	Friday	Id-e-Milad
17	December 25, 2017	Monday	Christmas

*Muhurat Trading will be conducted on Thursday, October 19, 2017. Timings of Muhurat Trading shall be notified subsequently.

The holidays falling on Saturday / Sunday are as follows:

Sr. No.	Date	Day	Description
1	February 19, 2017	Sunday	Chhatrapati Shivaji Maharaj Jayanti
2	April 01, 2017	Saturday	Annual Bank Closing
3	April 09, 2017	Sunday	Mahavir Jayanti
4	September 02, 2017	Saturday	Bakri ID
5	September 30, 2017	Saturday	Dasera
6	October 01, 2017	Sunday	Moharram
7	November 04, 2017	Saturday	Gurunanak Jayanti

2.2 Market Timings:

In pursuance of clause 2.4 of Regulation, the trading hours for the Currency Derivatives Segment of the Exchange is given below:

Normal Market Open Time	09:00 hrs.
Normal Market Close Time	17:00 hrs.
Position Limit/Collateral Value Set Up Cut Off Time	17:30 hrs.
Trade Modification End Time	17:30 hrs.

Further, Exchange has made the trading environment available from 7.00 am onwards on every trading day for users to login and check connectivity.

2.3 Extension of Market hours:

The Exchange may extend the market time for trading after carrying out preliminary checks/assessment of the problem, for such time period as may be deemed necessary from time to time in the event of 25% or more of normally active trading terminals being unable to trade due to loss of access to the trading system of the segment during the normal or extended course of trading hours for reasons beyond their control.

2.4 Market Close for trading

The Exchange may close the Currency Derivatives Segment for trading after carrying out preliminary checks/assessment of the problem for such time period deemed necessary in the event of 40% or more of normally active trading terminals, being unable to trade due to loss of access to the trading system of the segment during the normal or extended course of trading hours for reasons beyond their control. In this situation the Currency Derivatives segment may be closed after giving short notice.

2.5 Contingency Drill/ Mock Trading Schedule

Contingency Drills/ Mock Trading sessions are conducted by the Exchange from time to time for periodical testing of trading infrastructure and its recovery & response mechanisms. Large scale participation of members is quintessential for the success of such sessions.

In order to enable market participants to plan and schedule their own contingency plans/testing, the Exchange is hereby notifying the Contingency drills/Mock trading sessions calendar for the year 2017, is as follows;

Sr. No.	Dates of Contingency Drill / Mock Trading Sessions
1	January 07, 2017
2	February 04, 2017
3	March 04, 2017
4	April 01, 2017
5	May 06, 2017
6	June 03, 2017
7	July 01, 2017
8	August 05, 2017
9	September 02, 2017
10	October 07, 2017
11	November 04, 2017
12	December 02, 2017

ITEM 3

COMPLIANCE

3.1 Trade Annulment Request

NSE vide its Currency Derivatives segment Consolidated circular no. NSE/CD/29366 dated April 01, 2015 has specified the procedure for submission and processing of trade cancellation requests. SEBI vide circular no. CIR/MRD/DP/15/2015 dated July 16, 2015 (intimated to members vide exchange circular no. NSE/CD/30269 dated July 17, 2015) has specified the Policy for annulment of trades undertaken on stock exchanges.

SEBI in its circular expressly advises that “to ensure finality of trades executed on trading platforms of the stock exchanges, to the extent possible, annulment of trades should be avoided by the stock exchanges.”

Therefore, the trade cancellation request procedure as specified in the aforesaid Exchange circular dated April 01, 2015 is being modified in accordance with the provisions of SEBI circular no. CIR/MRD/DP/15/2015 dated July 16, 2015. Further the existing ‘Trade Cancellation Request’ shall be considered as ‘Trade Annulment Request’ for the purpose of SEBI circular.

In order to discourage frequent or frivolous annulment requests, the following revised procedure and guideline for submission and processing trade annulment requests shall be applicable:

I. Submission of Trade Annulment Request:

Trade annulment request can be placed only by the executing trading members (buyer /seller) who have executed the trade to be annulled.

1. Prior to initiating the trade annulment request, the trading member shall ensure and certify the following:
 - i. that the member had taken adequate precautions such as defining order quantity limit; order value limit ; user value limit ; branch value limit and all the risk management measures as provided by the Exchange from time to time.
 - ii. that the orders related to the trade(s) to be annulled were routed after filtering them as per the risk management principles of the member,
 - iii. that the orders were in compliance with the order placement limits applicable to the dealer, branch and member.
 - iv. that the member has a process in place to ensure that the orders leading to the trade(s) to be annulled were covered by adequate margins, where applicable.
 - v. that the orders were placed by a qualified dealer.
2. Mode of placing the annulment request:
 - i. The trading system of the Exchange provides a facility to a member to initiate a trade annulment request in electronic form whereupon the member on the other side of the trade would receive the details of the trade annulment request anonymously.
 - ii. The member has to file the annulment request electronically only on the trading system provided by the Exchange.
 - iii. The Exchange shall electronically disseminate the request on trading system to all concerned counter party trading members to the trade(s) for which annulment is sought.

- iv. Considering the strict time lines, Exchange shall not accept any request in any form or any other mode other than the screen based electronic mechanism provided by the Exchange. However, Exchange may permit filing of request in any other mode in exceptional cases.
- v. Counterparty trading member who accepts the request has to respond on the trading system intimating their consent to annul the trade.
- vi. The Exchange may seek additional information from such members for further scrutiny, if found necessary

II. Criteria & Processing of Trade Annulment Request:

The trade/s for which annulment is requested shall have to fulfill all the conditions listed below for the Exchange to be taken up for further processing;

- Trade annulment requests should be placed only by the executing trading members (buyer /seller) who have executed the trade(s) to be annulled. Trade annulment requests placed by third parties viz. Clearing Member / trading member other than executing trading members, shall not be accepted for processing.
- Trade annulment requests should be submitted to the Exchange within 30 minutes of the execution of trade.
- A trade annulment request can only be made for an order of a minimum value of Rs 10 Crores (premium value in case of options contracts shall be considered).
- Minimum trade value of trade(s) originating from a single order for which annulment request is made should be Rs. 10 lakhs or above (premium value in case of options contracts shall be considered).
- The trade(s) in question are not within the price bands / operating range / trade execution range applicable at the time of trade.
- Trade(s) for which annulment requests are submitted should have been executed in the continuous session (Normal market).
- Trade(s) have not been executed with the same PAN number on both the buying and selling side.

Exchange shall require the trading members to submit additional information such as reason to request for trade annulment, whether similar trade annulment requests have been submitted simultaneously to other exchange etc. in electronic form through ENIT.

Trade Annulment requests fulfilling the conditions specified above shall be accepted for further processing and should satisfy the following additional criteria:

- Counterparty trading member should have provided acceptance to trade annulment in electronic form within 30 minutes after the market closure or within 30 minutes from time of trade annulment requests whichever is later. If the counterparty member does not intimate his consent within 30 minutes of market closure or within 30 minutes from time of trade annulment requests whichever is later, it will be deemed that the counterparty member does not consent to the request for annulment.
- The executing member and the member on the other side of the said trade for a trade annulment request is not the same.

The Exchange shall expeditiously, not later than start of next trading day, examine and decide upon accepted annulment requests. The Exchange shall intimate the requesting member about the acceptance / rejection of the annulment request.

Where a trading member has requested for annulment of trade(s) to more than one exchange, Exchange shall coordinate with the other exchanges to take appropriate inputs to decide upon the trade annulment request.

Member may note that any trade annulment, if accepted, will not result in re-computation of index or bhavcopy.

III. Application fee for trade annulment request

A fee equal to 5% of the value of trade(s) for which annulment is requested, subject to minimum fee of Rs. 1 lakh and maximum fee of Rs. 10 lakhs shall be charged as Annulment Application fee for accepting the request. Such fee shall be debited from the Member's Exchange dues account or deducted from Members money available with the Exchange on the day of receipt of trade annulment request. The amount so collected as Annulment Application Request fees shall be credited to Investor Protection Fund (IPF) of the Exchange.

IV. Dissemination of following information on Exchange website

Exchange shall disseminate the following details of trade annulment requests on its website www.nseindia.com:

- Details of receipt of trade annulment request.
- Details of decision on trade annulment request.

- V. A mechanism for review of the decision of the Exchange on Trade annulment request shall be provided. For the purpose of review the trading members shall submit a request for review to the Exchange before the payout deadline for the trades. The detailed procedure is provided in circular download ref. no. NSE/INVG/30931 dated October 12, 2015.
- VI. As prescribed in SEBI Circular para no. 4, in case there is more than 1 instance from the same trading member in the same segment in a calendar quarter, an additional amount equal to 1% of the value of trade(s), subject to minimum of Rs. 1 lakh shall be charged. This is being done to discourage frequent or frivolous requests and maintain the sanctity of the trades on the Exchange. This charge shall be non-reversible. This shall be in addition to the Annulment request application fee.
- VII. Members may note that pursuant to Byelaw 5 of chapter VII of the Byelaws, the Exchange may, to protect the interest of investors in securities market and for proper regulation of the securities market, suo motu annul trades at any time if the relevant authority is satisfied for reasons to be recorded in writing that such trade(s) is/are vitiated by fraud, material mistake, willful misrepresentation or market or price manipulation and the like.

3.2 Levy of fair usage charges for multi-leg orders in derivatives segments

The Exchange has provided a multi-leg order entry facility in Currency Derivatives segments through which members can place combination orders such as 2 Leg and 3 Leg which are Immediate or Cancel (IOC) in nature.

This facility enables members to place through a single entry, orders for multiple contracts in the Normal Order book for IOC matching. In order to facilitate and encourage fair usage of such order entry facility, trading members are hereby informed that the following charges will be levied for 2 Leg and 3 Leg orders in Currency Derivatives segments.

The charges shall be based on order execution efficiency i.e. the ratio of number of trades resulting from 2L/3L orders and total number of 2L/3L orders as explained below:

Execution Efficiency %	Levy on each 2L/3L order*
More than 90%	NIL
Between 70% to 90%	Rs. 0.01 (one paisa)
Between 50% to 70%	Rs. 0.02 (two paisa)
Less than 50%	Rs. 0.03 (three paisa)

*Applicable taxes extra

Members may note that for the purpose of calculation, all 2L/3L orders, i.e., order entry, order modifications and order cancellations shall be considered.

The charges shall be computed on a daily basis and will be collected by a debit to the Exchange dues account of the respective members on monthly basis only if the amount is equal to or greater than Rs 100 for a particular month

3.3 Proprietary Account Trading

SEBI vide letter SEBI/MRD/SE/Cir-32/2003/27/08 dated August 27, 2003 has advised Stock Exchanges to facilitate placing of orders on 'proprietary-account' through trading terminals only from one location. Trading member is required to submit an application to the Exchange through the NSE ENIT system on the following path <https://www.connect2nse.com/Memberportal/> to avail the facility. Trading terminals located at places other than the above location shall have a facility to place orders only for and on behalf of a client by entering client code details as required / specified by the Exchange / SEBI. In case any member requires the facility of using "pro-account" through trading terminals from more than one location and / or CTCL, is required to submit an application along with undertaking to the Exchange in the format given below.

Single proprietary undertaking is applicable for all segments for proprietary trading on more than one location (additional location) and / or CTCL across segments. The Exchange may, on case to case basis and after due diligence, consider extending the facility of allowing use of proprietary account from more than one location.

Members are requested to note that in case of the undertaking for proprietary enablement, the value of the non-judicial stamp paper used is Rs. 100/-. The said undertaking is required in case the location of user id (on which proprietary facility is to be availed) is other than default location or the user id is enabled for CTCL.

Format of Undertaking

UNDERTAKING FOR AVAILING PROPRIETARY ACCOUNT ORDER ENTRY FACILITY

I/We _____, an individual /a firm registered under the Indian Partnership Act, 1932 / a Company / body corporate incorporated under the Companies Act of 1956 / _____ Act, 19____, and residing at / having our registered office at _____ give this UNDERTAKING on this the _____ day of _____ 20____ at _____ IN FAVOUR of National Stock Exchange of India Limited, a company incorporated under the Companies Act of 1956, with its registered office at "Exchange Plaza", Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051(hereinafter called "NSEIL")

WHEREAS

1. NSEIL provides the National Exchange for Automated Trading (NEAT) software to enable its Trading Members to trade and in addition NSEIL also provides Computer To Computer Link (hereinafter called "CTCL") facility to Trading Members for order entry, receipt of order and trade confirmation and also for receipt of data relating to its trade quotations.
2. NSEIL, has prescribed that the facility of placing orders on "Pro-account" through trading terminals shall be availed by the Trading Members only at one location of the Trading members as specified / required by the Trading Members; any trading terminal located at a place other than the above location shall have a facility to place order only for and on behalf of a Constituent by entering client code details as required by NSEIL/ SEBI; and In case any Trading Member requires the facility of using "Pro-account" through trading terminals from more than one location, such Trading Member shall request NSEIL stating the reason for using the "Pro-account" at multiple locations.
3. NSEIL has as a precondition to the Undersigned being permitted the facility of using "Pro-account" through trading terminals from more than one location required me/us to furnish the undertaking in the manner and on the terms herein below:-

NOW THEREFORE IN CONSIDERATION OF NSEIL having agreed to allow me/us at my/our request to avail the Pro-account facility from more than one location, I/we hereby **IRREVOCABLY AND UNCONDITIONALLY UNDERTAKE** and agree to abide by and be bound by the following terms and conditions:-

1. That I/we undertake to enter proprietary orders only from the Pro-account terminals permitted by NSEIL and undertake not to misuse the said "Pro-account" facility and state that the proprietary trades on the Pro-account terminals pertain to proprietary trades and not client trades.
2. That I/we state that our Director(s) / Partner(s) is/are based at the location where the "Pro-account" trading terminals are located. The Pro-account facility shall be made available to the Approved Users only after obtaining the prior written consent of NSEIL and subject to such terms and conditions as may be prescribed by NSEIL from time to time.
3. That I/we undertake not to use the "Pro-account" trading terminals for purposes other than the defined reasons.
4. That I/we undertake to take all such steps and/or precautions to ensure and keep ensured that the 'Pro-account' facility is not extended to a location other than the location of the trading terminals where the "Pro-account" facility is permitted by NSEIL and CTCL terminals shall not be extended beyond the location of such permitted trading terminals.

5. That NSEIL, at its absolute discretion, may make the Pro-account facility available to me / us only from the date of my / our enablement on the Pro-account facility till such time as it may deem fit and further that the Pro-account facility may at any time be withdrawn by NSEIL at its discretion without giving me / us any notice or any reasons whatsoever.
6. That I/we shall execute, sign, and subscribe, to such other documents, papers, agreements, covenants, bonds, and / or undertakings as may be prescribed or required by NSEIL from time to time.
7. That I/we undertake to abide by all the provisions of the Byelaws, Rules, Regulations and Circulars/norms and requirements that may be in force from time to time relating to use and operation of the NEAT Trading System (including use of CTCL software) and that they shall also mutatis mutandis become applicable to the use and operation of the Pro-account facility.
8. That I/we undertake to render all possible assistance and cooperation to NSEIL by providing all information in any form as it may require and shall produce such documents, records, accounts, books, data howsoever stored including data stored in magnetic tapes, floppy diskettes, etc. and any other information as may be required by NSEIL at its discretion.

IN WITNESS WHEREOF this Undertaking is executed by the undersigned on the day, month, year and the place first mentioned above.

Signed by, for and on behalf of: Before me

Instructions for Undertaking:

1. The Undertaking is to be executed on a non-judicial stamp paper worth Rs.100/- if executed in State of Maharashtra. If this Undertaking is executed outside the State of Maharashtra, then it must be executed on a non-judicial stamp paper stamped in accordance to the duty as payable in the place of execution or on a non-judicial stamp paper worth Rs. 100/- whichever is higher.
2. Further this Undertaking (including all annexures / schedules) has to be notarised before a Notary Public.
3. All the pages of this Undertaking (including all annexures / schedules) have to be signed in full. The persons signing should also sign in full at all places in the Undertaking where anything has been hand-written / any corrections have been made.
4. If the Trading Member is an individual, then the Undertaking has to be signed by the individual Trading Member himself.
5. If the Trading member is a firm, then ALL the partners are required to sign this Undertaking.
6. If the Trading Member is a corporate, then the Undertaking has to be signed by the Managing Director or any two Directors of the company named as an authorised signatories of the company. The Common Seal of the company has to be affixed by the company on this Undertaking in the presence of such persons as authorised by the Articles of Association of the company.

Instructions for Board Resolution

1. If the Trading Member is a corporate, the Undertaking has to be accompanied with a certified copy of the resolution of the Board of Directors of the company authorising the person(s) executing the undertaking to do so along with their specimen signatures and designations.
2. The Board Resolution should clearly state that the affixation of common seal shall be made in the presence of such persons as authorised by the Articles of Association of the company and should also clearly state the names of such persons. The above persons should sign the undertaking as a token of their presence when the common seal is affixed.

Further, the trading members shall be subject to and abide by all circulars, requirements, conditions, norms, guidelines and / or such terms as may be prescribed or required by NSEIL from time to time and the same shall become applicable ipso facto, upon its notice to the members by the Exchange.

Members may please note that

- a) The facility of PRO account trading is given by default to the Corporate Manager user id of the member by the exchange. However, member can request for its deactivation, if required so by member, in the relevant form on NSE ENIT interface.
- b) The Pro trading facility is given to the user id for a specific location as mentioned in the application. Any change to the location of user id / connectivity shall result in deactivation of Pro trading facility by the exchange.

Procedure for Application of Pro-Trading:-

Exchange has provided facility on member portal to handle requests for proprietary account trading applications electronically. Further, it may be noted that digital signature is imperative for accepting the applications through member portal. Hence, it is mandatory that all the applications sent electronically through -member portal contain digital signature as allotted by the Exchange to Authorised personnel of the trading firm. Trading members may send the application for availing proprietary account trading facility by logging in Member portal (<https://www.connect2nse.com/memberportal/>) Member can login through corporate manager user id by entering User ID and password.

Members are required to send their request for proprietary enablement and disablement through the facility on NSE ENIT electronically.

Login screen – Member Portal

Member Portal - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address <https://www.connect2nse.com/MemberPortal/>

NSE
National Stock Exchange of India Ltd.

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Existing Membership | NSCL | Products | Investor | Services & Circulars

Menu

- ENIT-Affiliates
- ENIT-Compliance
- ENIT-Service Request
- ENIT-Trade
- EXTRANET-circulars
- EXTRANET-common
- EXTRANET_dnlid
- EXTRANET_upld
- MARGINS
- NSE-ASSIST
- UCI-Online

Welcome

Sign In

User Information

User Id: Your User Id here.

Member Code: Your Member Code here.

Password: Enter text as shown in the image

Vdike58

Enter text as shown in the image.

[Forgot Password](#)
[Clear Cache](#)

Submit Cancel Help

Services

Extranet Downloads

Date	Total Count	Read Co...
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Billing Downloads

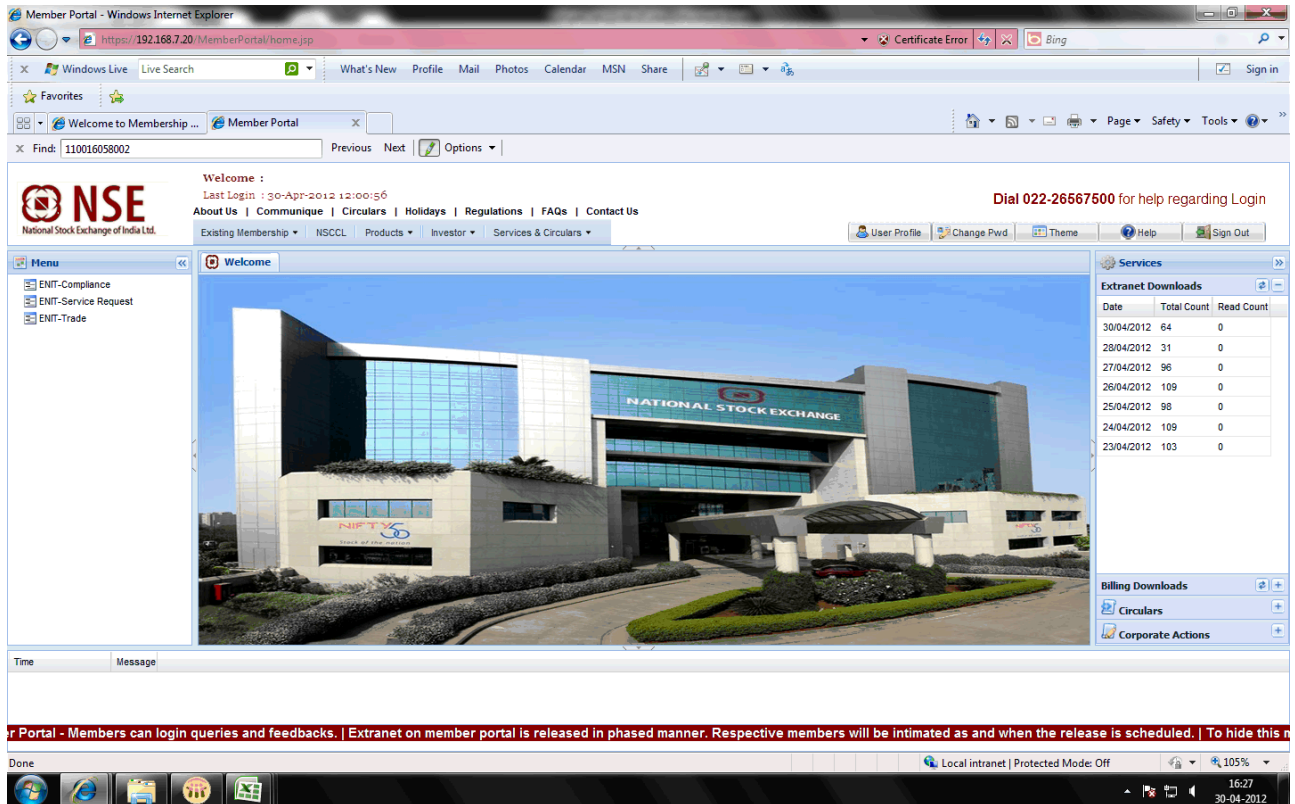
- Circulars
- Corporate Actions

Done

start

Member... Microsoft... National... NSE - N... Untitled... New Me... 4:47 PM

Members can login queries and feedbacks. | Extranet on member portal is released in phased manner. Respective members will be intimated as and when...



- 1) Once logged in, the user can click on the ENIT link on the left to go to the ENIT page

NSE ENIT | 30-Apr-2012 01:57:40 PM | Home | Logout

New Notifications

To update contact details kindly | [Contact Us](#) | [Print](#)

MEMBERS DETAILS

Name	
Old Name	
CODE	
SEBI Registration no	
SEBI Registration Date	
Segment	
Year of Incorporation	
Year of NSE Membership	
Constitution	
Status	
Listed	
IG Email ID	

REGISTERED OFFICE

Registered Office Address	
City	
Pin Code	
Phone Number	
Fax Number	
Email ID	

CORPORATE OFFICE

Corporate Office Address	-
--------------------------	---

Navigation Links:

- Users
- Exchange
- Member
- Trade
- Pro
- Enablement Disablement
- Digital Certificate
- Tools
- Short Selling Disclosure
- NMF Process
- Downloads
- Communication Log
- Inspection
- Internal Audit Report
- FAQ
- PDF Signing Demo
- Accounts
- PAN Card Details
- Document Repository
- Inspection Cases
- Financial Status Report
- KRA Registration
- Disclaimer
- Help Desk Guide
- Help

- 2) User can click on the Pro enablement/ disablement option on the Left pane to access Proprietary trading sub menu

NSE ENIT 30-Apr-2012 01:57:53 PM Home | Logout

New Notifications

To update contact details kindly [Contact Us](#) [Print](#)

MEMBERS DETAILS

Name	
Old Name	
CODE	
SEBI Registration no	
SEBI Registration Date	
Segment	
Year of Incorporation	
Year of NSE Membership	
Constitution	
Status	
Listed	
IG Email ID	

REGISTERED OFFICE

Registered Office Address	
City	
Pin Code	
Phone Number	
Fax Number	
Email ID	

CORPORATE OFFICE

Corporate Office Address	
--------------------------	--

Default location Activation:-

Member can notify details of default location to the Exchange through 'Default Location Activation' option. All members using ENIT interface for the first time to send request are required to specify this option.

Default Location Activation

Member Name:	
Sebi Registration Code:	
Segment:	-SELECT--
Connectivity:	☐ X.25 ☐ TCP-IP
List of Active Equipments:	-SELECT--
Address Line1:	
Address Line2:	
Address Line3:	
City:	
PinCode:	

Once connectivity type is selected the list of active equipment ids will appear

Upon selecting the equipment id, postal address associated with it will automatically appear

Members are required to click Certify Data and submit the request for Default location. Exchange on receipt of the request shall verify the contents.

Once Exchange has approved the request and updated the default location, members can put request for proprietary trading for their users on the default location using ENIT interface.

Default location status:-

Members can view the status of the application for Default Location Activation on this screen

The screenshot shows a web application interface for NSE ENIT. The top header bar is blue and contains the NSE ENIT logo on the left, the date and time '30-Apr-2012 02:02:31 PM' in the center, and 'Home | Logout' on the right. Below the header, there is a left sidebar with a list of menu items: Users, Exchange, Member, Trade, Pro Enablement/Disablement, Default Location, Change Default Location, Pro Enablement, Pro Disablement, Pro Application Status, Default Location Application Status, Pro Status Report, Digital Certificate, Tools, Short Selling Disclosure, NNF Process, Downloads, Communication Log, Inspection, Internal Audit Report, FAQ, PDF Signing Demo, Accounts, PAN Card Details, Document Repository, Inspection Cases, Financial Status Report, KRA Registration, and Disclaimer. The main content area is titled 'Default Location Audit Trail Report'. It contains a search form with the following fields: 'Request Type' (a dropdown menu showing '--SELECT--'), 'Request Reference No.' (a text input field), 'Application From Date' (a date picker showing '30-Apr-2012'), and 'Application To Date' (a date picker showing '30-Apr-2012'). There are 'Search' and 'Reset' buttons below the date fields. Below the search form is a table with the following columns: 'Date Of Application', 'Type of Application', 'Segment', 'Old Default Location', 'Applied Default Location', 'Status', 'Status Date', and 'Remarks'. The table is currently empty.

Date Of Application	Type of Application	Segment	Old Default Location	Applied Default Location	Status	Status Date	Remarks
---------------------	---------------------	---------	----------------------	--------------------------	--------	-------------	---------

Change in default location:-

Members can use this option to request for change in their existing default location, if necessary.

Change In Default Location

Member Name:

Sebi Registration Code:

Segment:

Existing Default Location

Address Line1:

Address Line2:

Address Line3:

City:

PinCode:

New Location Details

Connectivity: ☐ X.25 ☐ TCP-IP

New location Equipments:

Address Line1:

Address Line2:

Address Line3:

City:

PinCode:

Once connectivity type is selected the list of active equipment ids will appear

Upon selecting the equipment id, postal address associated with it will automatically appear

The option to Change the Default location shall be available only if:

- The Pro facility is not currently enabled on any User under Default location
- Or
- Member has submitted undertaking to the Exchange in the required format for additional location

If the above conditions are not met, system shall show following screen with two choices:

If option 1 is selected, members are required to submit Undertaking to the Exchange in the required format as mentioned in the circular dated April 24, 2012, Download no. 20614, available on the website (<http://www.nse.co.in>)

If option 2 is selected, members shall be diverted to Pro Disablement screen to submit request to disable Pro facility of users under Default location

Pro Enablement:-

Members can use this form for placing Proprietary Account Enablement requests

The screenshot shows the 'Pro Enablement' form on the NSE ENIT portal. The form is divided into several sections: Member Information, Postal Address, Default Location Address, and Connectivity details. Callouts provide additional instructions:

- Connectivity:** Once connectivity type is selected, the list of User ids under that connectivity will appear.
- User Id:** Upon selecting the user id, postal address associated with it will automatically appear.
- Location:** Member need to specify whether the user id is pertaining to 'Default location' or 'Additional location'.

The form includes fields for Member Name, Sebi Registration Code, Market Segment, Connectivity, User Id, User Name, Address Line 1, Address Line 2, Address Line 3, City, Pin Code, and Location. It also has sections for Default Location Address and Connectivity details. Buttons for 'Certify Data', 'Submit', and 'Cancel' are at the bottom.

If the option 'Default' is selected, then member should ensure that both 'Postal Address' and 'Default Location Address' is pertaining to the same location.

Members are advised to ensure accuracy and completeness of the information in the request to enable Exchange to process the request faster and in an efficient manner.

Pro Disablement:-

Members can use this form for placing Proprietary account Disablement requests

The screenshot shows the NSE ENIT Pro Disablement form. The form is titled "Pro Disablement" and includes a sidebar with navigation links. The main form area contains the following fields:

- Member Name: [Text Field]
- Sebi Registration Code: [Text Field]
- Market Segment: ☐ CM ☐ F&O ☐ CD/JRF
- Connectivity: ☐ X.25 ☐ TCP-IP
- User Id: [Dropdown Menu]
- User Name: [Text Field]
- Postal Address: [Section Header]
- Address Line1: [Text Field]
- Address Line2: [Text Field]
- Address Line3: [Text Field]
- City: [Text Field]
- Pin Code: [Text Field]
- Default Location Address: [Section Header]
- Address Line1: [Text Field]
- Address Line2: [Text Field]
- Address Line3: [Text Field]
- City: [Text Field]
- Pin Code: [Text Field]
- Vsat ID No./Leased Line Id No.: [Text Field]
- Primary: [Text Field]
- Dual Locking(if any): [Text Field]

Callout 1: Once connectivity type is selected, the list of User ids under that connectivity will appear

Callout 2: Upon selecting the user id, postal address associated with it will automatically appear

Buttons: Submit, Reset, Certify Data, Submit, Cancel

Note: - Pro Disablement request shall be processed after Trading hours

Pro Application Status:-

Members can view the audit trail of Proprietary Account Enablement and Proprietary Account Disablement requests through the option 'Pro Application Status' report.

The screenshot displays the NSE ENIT Pro Audit Trail Report interface. The top navigation bar includes the NSE ENIT logo, the date and time (30-Apr-2012 02:02:04 PM), and links for Home and Logout. The left sidebar contains a menu with various options, including Users, Exchange, Member, Trade, Pro, Enablement/Disablement, Default Location, Change Default Location, Pro Enablement, Pro Disablement, Pro Application Status, Default Location Application Status, Pro Status Report, Digital Certificate, Tools, Short Selling Disclosure, NMF Process, Downloads, Communication Log, Inspection, Internal Audit Report, FAQ, PDF Signing Demo, Accounts, PAN Card Details, Document Repository, Inspection Cases, Financial Status Report, KRA Registration, and Disclaimer.

The main content area is titled "Pro Audit Trail Report" and contains a search form. The form includes the following fields:

- Request Type: --SELECT-- (dropdown menu)
- Request Reference No: (text input field)
- Request Submission From Date: 30-Apr-2012 (calendar icon)
- Request Submission To Date: 30-Apr-2012 (calendar icon)
- Search (button)
- Reset (button)

Below the search form is a table with the following columns:

Date Of Application	Type of Application	Connectivity	User Id	User Name	Primary connectivity	Secondary connectivity	Postal Address	Default Location Address	Status	Status Date	Segments
---------------------	---------------------	--------------	---------	-----------	----------------------	------------------------	----------------	--------------------------	--------	-------------	----------

Pro status report:-

Pro Status Report has been provided on the ENIT front-end. Members may use this option to view the final Pro-status of their user ids in each segment as on current date.

The screenshot displays the NSE ENIT Pro Status Report interface. The browser window shows the NSE ENIT logo and the date 30-Apr-2012 02:03:08 PM. The page title is 'Pro Status Report'. A sidebar on the left contains a menu with options like Users, Exchange, Member, Trade, Pro Enablement/Disablement, Digital Certificate, Tools, Short Selling Disclosure, NMF Process, Downloads, Communication Log, Inspection, Internal Audit Report, FAQ, PDF Signing Demo, Accounts, PAN Card Details, Document Repository, Inspection Cases, Financial Status Report, KRA Registration, and Disclaimer. The main content area has a heading 'Pro Status Report' and a sub-heading 'Please find below the Latest Pro Status of User Ids'. There is an 'Export Data | EXCEL' link. Below this is a table with four columns: User Id, Segment, Location, and Pro Status. The table is currently empty.

3.3 Trading Through Other Trading Member

SEBI vide their circular SEBI/MIRSD//Cir-06/2004 dated January 13, 2004 has notified the norms relating to trading by members / sub brokers through other brokers/sub brokers of the same Stock Exchange or other Stock Exchanges. The relevant contents of the circular are given below:

During the course of inspections carried out by SEBI of the books of accounts and other documents of members/sub-brokers, it has been observed that certain members/sub-brokers are dealing through a large number of other stock brokers/sub-brokers of the same exchange/other exchange for their proprietary trades as well as trades on behalf of clients.

The trading through large number of brokers/sub-brokers raises serious issues of regulatory concerns including taking excessive exposure, executing pro account trading from multiple locations in violation of SEBI circular no. SEBI/MRD/SE/Cir-32/2003/27/08 dated August 27, 2003, possibility of over leveraging and default etc.

With a view to address these concerns, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market, Stock exchanges ensure the following:-

- A Stock broker/sub-broker of an exchange cannot deal with brokers/sub-brokers of the same exchange either for proprietary trading or for trading on behalf of clients, except with the prior permission of the exchange. The stock exchanges while giving such permission, shall consider the reasons stated by the brokers/sub-brokers for dealing with brokers/sub-brokers of the same exchange and after carrying out due diligence allow such brokers/sub-brokers to deal with only one stock broker/sub-broker of the same exchange.
- A stock broker/sub-broker of an exchange can deal with only one broker/sub-broker of another exchange for proprietary trading after intimating the names of such stock broker/sub-broker to his parent stock exchange.
- As per Regulation 15(1) (e) of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 a sub-broker shall not be affiliated to more than one stock broker of one stock exchange. It is reiterated that a stock broker of an exchange can deal with only one broker of another exchange on behalf of clients after obtaining necessary registration as a sub-broker.

All trading members are advised to ensure due compliance of the direction of SEBI and refrain from indulging in any business not complying with the stipulated requirement unless otherwise permitted to do so by the Exchange.

3.4 User Order Value & Branch Order Value Limit

Members are required to set definite limits for User Order Value Limit (UOVL) and Branch Order Value Limit (BOVL) for each user and branch. If definite limits are not set up, such users/branches may not be able to trade. The daily report containing the various order level limits, set for users by their corporate manager/branch manager shall be downloaded to the members. The nomenclature and the detailed file structure of the report are given in Part-C.

3.5 Debarred Clients

Members may note that w.e.f April 03, 2012, orders and order/trade modifications placed for entities debarred by SEBI shall be rejected by the trading system with the message, “The Account is debarred from trading”. For this purpose, UCC details uploaded by members will be matched with the SEBI specified lists of debarred clients. In addition to this, “Debarred Client Master maintenance” facility is available to restrict order for specific client at terminal level.

3.6 Prevention of Self Trade

Member shall have option to stipulate at the time of order entry whether to cancel passive order or active order resulting in self-trade.

If an active order is likely to match with a passive order belonging to the same member-client or same member-proprietary combination in the same order book, then active or passive order (full or partial as the case may be) as per the option set in order entry shall be cancelled by the exchange with rejection message “Order cancelled by the System – The order could have resulted in Self-trade”

The mechanism shall be applicable to Proprietary (PRO) and Client (CLI – including custodial participant CP) orders.

The mechanism shall be applicable only during matching. Member shall take due precaution to prevent self-trade while performing trade modification.

ITEM 4

SYSTEMS

4.1 Extranet facility for Members

Exchange provides extranet facility to the members of currency derivatives segment. The facility enables members to access common and member specific data through FTP Extranet site. Details of the facility are as follows:

Remote folder	/cdsftp/cdscommon (location for common files require to upload daily eg: cd_contract.gz, cd_participant.gz and cd_spd_contract.gz)	/cdsftp/X(TMID) (Location for member specific files eg. Trader report)
Options 1 User ID / Password	X(TMID) / Corporate ID password It may be noted that the Extranet is updated with the latest password set for the corporate ID after the end of market hours every working day. Hence members are advised to avoid changing their corporate ID password aftermarket hours.	
Options 2 User ID / Password	cdsguest / CDSGUEST	Not applicable
IP address for IP enabled users	172.19.125.71 Access is available in both DOWNLOAD & UPLOAD modes. Access is not available between 8:30am and 4:30pm	
IP address for Internet users	ftp://ftp.connect2nse.com Access through Internet FTP is available round the clock in DOWNLOAD mode only	

4.2 TAP (Trading Access Point)

To ensure reliability and security features on the IP network, Exchange provides Trading Access Point (TAP) connectivity.

The TAP system consists of a software component running on server class hardware platform which allows access and connectivity to the Exchange trading systems. Trading front ends - NEATCDS and NNF (Non-NEAT Front-end) software will connect to TAP system, which in turn will communicate with the Exchange trading system, thereby facilitating trading.

To enhance the performance and flexibility, exchange provides the facility of TAP on Linux and Windows operating systems. Members using the IP connectivity are required to set up TAP Box using the running TAP Version by configuring the TAP Box ID allotted to them.

The latest available version setup files for Windows and Linux operating systems reside on extranet path [\\cdsftp\cdscommon](#). The exchange periodically upgrades the TAP version and conducts mock trading sessions to test the connectivity using new versions and implement them in live environment on successful testing. The information pertaining to new TAP version is provided by the exchange through circulars updated on the NSE website.

4.3 Market Data Broadcast

The exchange provides market data up to 5 depths, Tick by Tick via TCP Protocol & Tick by Tick via UDP Multicast. Relevant circulars are as below:

Download No.	Date
NSE/CD/34214	17-Feb-2017
NSE/CD/33924	30-Dec-2016
NSE/CD/32765	08-Jul-2016
NSE/CD/31114	10-Nov-2015
NSE/CD/29287	27-Mar-2015
NSE/CD/27070	02-Jul-2014
NSE/CD/26547	28-Apr-2014
NSE/CD/26121	10-Mar-2014

4.4 Direct Connection - Login without TAP

Exchange has introduced a facility by which members can connect directly to Exchange without TAP

Parameters for Login without TAP

PRIMARY (BKC)/DR site

Gateway IP Addresses	Port
172.19.18.41	10870
172.19.18.42	
172.19.18.43	

4.5 Trade Drop Copy

Exchange has introduced a facility by which members would get their trade details/feed on real time basis. Members may access the same on their existing TCP/IP network by connecting to separate gateways called “Drop Copy Gateways” with their existing user credentials (trading user id/password).

The parameters for login are as follows:

PRIMARY (BKC)

Gateway IP Addresses	Port Number
172.19.18.44	10850
172.19.18.45	

DR site

Gateway IP Addresses	Port Number
172.19.18.44	10850
172.19.18.45	

ITEM 5

SUPPORT

5.1 Assistance for Currency Derivatives trading system

In an endeavour to enhance trading experience and to improve operational convenience, exchange has introduced dedicated Toll Free number **1800 266 00 53**.

Members can call between 8:00 hours and 19:30 hours on all working days for all trade related queries.

It has been observed that sometimes members face problems/ errors while logging or trading on the Trading System. Some of the issues observed and the recommended actions to be taken are listed below:

Sr No.	Description	Action to be taken
1	The Corporate Manager user is already signed on	Call MSD dept. for user sign off
2	Message “This dealer is disabled. Please call the Exchange”	Reset the password of the Corporate Manager ID through ENIT.
3	Unable to login to the trading system due to failure of Vsat / Leased Line or due to any problem in the office	Send the request for unlocking of user id for a single day using Corporate Manager id.
4	Message “You are trying to sign on from different location”/ “Broadcast Conference Idle”/ cursor is going up or any other login or connectivity related error message	Call IT Help Desk team at 18002660053
5	Unable to connect to the Extranet server	Call IT Help Desk team at 18002660053
6	Unable to trade in a contract due to a particular contract not available on account of • Expiry of contracts • New Underlying	Upload latest contract.txt and spd_contract.txt on the trading terminal
7	Unable to put a new participant code	Upload latest cd_participant.txt on the trading terminal
8.	Unable to take “Online backup” (Alt+F7) from NEATCDS screen (error message w.r.t. particular contract not available.	Upload cd_contract.txt and cd_spd_contract.txt on the trading terminal.

9.	Unable to check order/trade status or pending orders.	Check the order status/trade details from Branch / Corporate Manager ID.
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Contact details:

Section	Fax	Email id
Capital Market - Equities	022 26598155	msm@nse.co.in
Currency Derivatives - CD		
Debt Market - NDM		
Equity Derivatives - F&O		
Initial Public Offering - IPO		
Mutual Fund Service - MFSS		
Securities Lending & Borrowing - SLBS		

5.2 Password

- Policy:**

All users should take into account below mentioned password policy for login to trading system.

- A. The length of password should be of exact 8 characters.
- B. The password shall be case sensitive and should contain at least one each of the following characters with no space:
 - a. Uppercase: A to Z
 - b. Lowercase: a to z
 - c. Digit: 0 to 9
 - d. Non- alphanumeric : Special characters @ # \$ % & * / \
- C. User shall be compulsorily required to change password after the lapse of 14 days
- D. New password must be different from previous 5 passwords
- E. User Id shall be locked after 5 invalid login attempts
- F. Reset of password shall set the password to a default password
- G. User shall not be allowed to set the default password as new password

The above mentioned password policy is applicable to all users i.e. NEAT, NEAT+ and NNF

Password Expiry Alert

The user shall receive alert message for the expiry of their log in password.

Users will start receiving following alert message in the message area of NEATCDS, five days prior to the expiry of the password at the time of login.

Message Area:-

<USER_NAME> Signed On.

Attention: User <USER_ID> Your password shall expire on <DATE>.

Kindly change it to avoid any login issue on <DATE>

- **Password reset:**

A facility is provided to corporate manager to enable and reset password for all the users under his trading firm under supplementary menu in NEAT and under dialogs menu (Ctrl+Shift+T) in NEATCDS TWS. The Corporate Manager will be able to reset the password of the user, who is disabled on account of entering wrong password. Corporate manager will be able to change the password of only INACTIVE / DISABLED users.

On entering the user id and pressing Check Status button, the status of the user id will be displayed along with the default password. On pressing Ok button the status of the user will be set as Inactive and the password will be changed to default password.

The Corporate Manager will not be allowed to reset his own password. To reset the password of Corporate Manager, member is required to send the request for password reset through ENIT using Trading> Corp Mgr Password Reset path.

Henceforth requests for password reset through fax/e-mail shall not be accepted by the Exchange.

Procedure for Submitting Requests for Password Reset of NEAT Corporate Manager Id through ENIT

The module in ENIT will enable members to electronically submit and track password reset request status for NEAT Corporate Manager Id

Members will be able to seek the following services through ENIT:

- Digitally submit password re-set facility for NEAT Corporate Manager Id
- Tracking of request status
- Receive sms and/or email alert for the submission, completion / rejection of requests.

➤ Request received by the Exchange before and up to market close of trading day:

- Such requests shall be considered for processing on the same day, subject to fulfilment of necessary pre-conditions, if any.

➤ **Requests received by the Exchange after market close on a trading day:**

- Such requests will be processed by next working day before market hours subject to fulfilment of necessary pre-conditions, if any.

Request for password reset:

- Members should login to ENIT through Member Portal.
- Go to the path: Trading> Corp Mgr Password Reset> Request
- In point 1 and 2 the member code and member name will be auto populated.
- In point 3. The segment has to be selected for which corporate manager user id belongs to
- In point 4 the Action type will be “Request for Password Reset” by default
- In point 5 the corporate manager user id will be auto populated.
- In point 6 and 7 contact details of the requestor has to be filled.
- Email / Mobile – either one of them is mandatory
- The request has to be submitted to the Exchange after digitally signing.

Tracking of request:-

- ➤ On successful submission of a request, member will receive a reference number for all the future correspondence in the below format:
DDMMYYYY/SEG/PWDRESET/REQNUMBER
- ➤ On successful submission the status of the request will be ‘Pending’.
- ➤ Trading Members can view the status of such requests in the report available on the path:
Trading> Corp Mgr Password Reset> Status
- The requestor will receive SMS and/or email alerts on the contact details provided by him for the below three status
 - On submission of request.
 - On completion of request.
 - On rejection of request along with reason.

• **Disablement of Users not logged in for more than 180 days**

User IDs which have not logged in for more than 180 days shall be automatically disabled by the Exchange.

The existing RESET PASSWORD facility available to Corporate Manager in NEAT & NEAT Plus can be used to enable logins for such disabled Dealer and Branch Manager Ids.

Unlock user Request

A new facility is being provided to the Corporate Manager to send unlocking request to the Exchange through trading system for branch manager and dealer users under Dialogs menu (CTRL+SHIFT+U) in NEATCDS TWS.

Corporate Manager has to select user id, reason for unlocking and send the request to the Exchange. Corporate manager will get Unlock request approved or rejected message when the unlock request is acted upon by the Exchange. Corporate manager cannot place unlocking requests for user ids which are already logged in to the system or surrendered user ids.

In order to unlock, member is required to send the request to the exchange as per format given below.

Format

(On the letterhead of the Company/ Firm/ Individual)

To,

Date:

Currency Derivatives Segment.

National Stock Exchange of India Ltd.

Exchange Plaza, Bandra Kurla Complex

Bandra (East), Mumbai 400 051

Fax no. 26598325

Sir,

Sub. : Application for Unlocking of a user id

Please **unlock** the following user id for the reason mention below **for today**:

User id	
Member Code	
User Type	Corporate Manager
Reason for unlocking in detail	

Yours faithfully,

Name of the Trading Member

Name & Designation of the Authorised Signatory

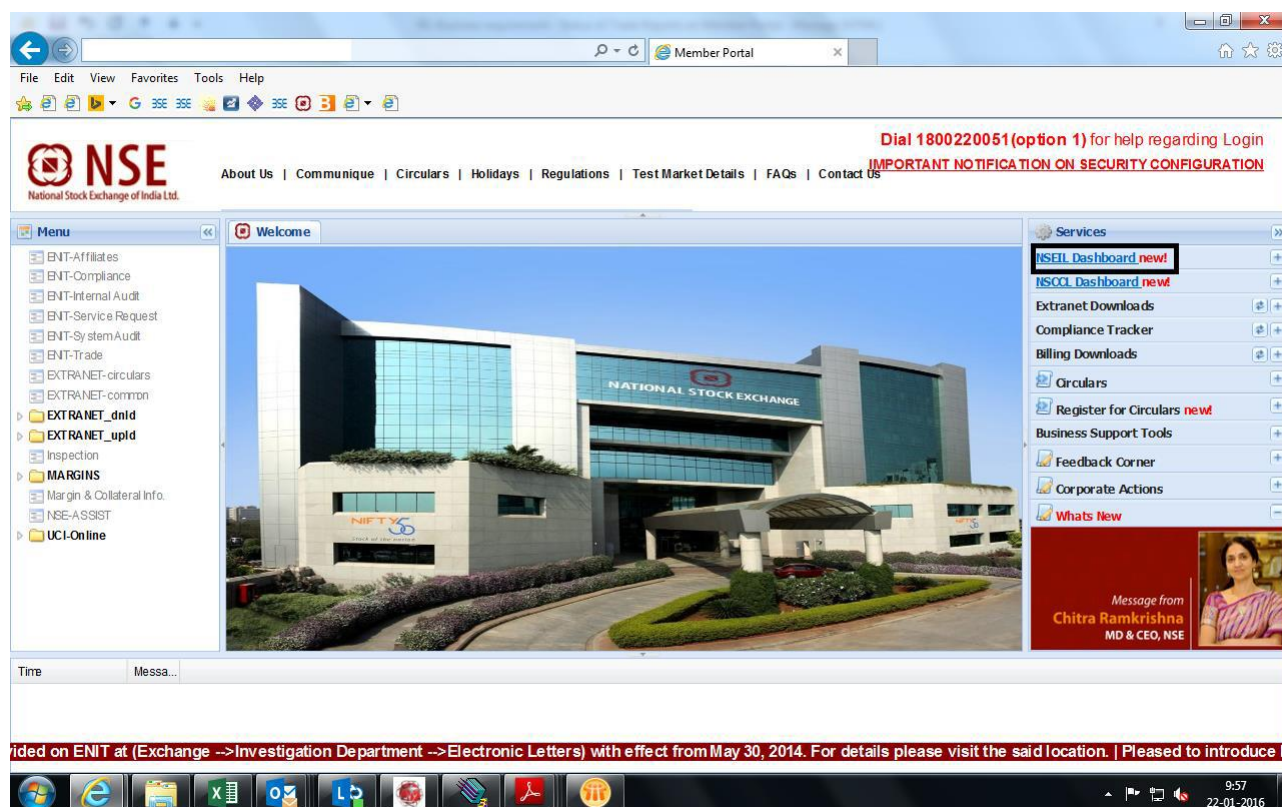
5.4 Contingency Pool trading facility for members.

The Exchange provides trading facility from its premises to members in the event of a contingency where trading member is not able to use own connectivity because of a technical or a power failure. In such cases, trading member can send the request in writing to the Exchange asking for permission to trade from the Exchange's premises. Upon receiving such request from the trading member, Exchange verifies the details and allows the representative of the trading member to come and use the trading terminal situated in the contingency pool in its premises. The facility is available on a first come first serve basis. The trading facility in the contingency pool is granted for a particular day only.

5.5 NSEIL Dashboard

In an endeavour to improve operational convenience, Exchange has introduced "NSEIL Dashboard" on Member Portal under "Services".

Members can use this facility to track the status of various reports pertaining to Trade; downloaded on Extranet by Exchange under different segments.



On clicking on "NSEIL dashboard" link, the status and the estimated time of the reports would be displayed.

Member Portal

Welcome | NSEIL Dashboard

Segment:

Segment	File Description	Status	Expected Time
Qd	Unit Report	Completed	-
Qd	Order log	Completed	-
Qd	Bulk file	Completed	-
Qd	Security File	Completed	-
Qd	Quantity Freeze file	Completed	-
FO	Order Log	Completed	-
FO	Spread Order Log	Completed	-
FO	Unit Report	Completed	-
MFSS	NAV Report	Completed	-
SLB	Pharmacopy	Completed	-
SLB	Order log	Completed	-
Qd	Bulk and Book File	Scheduled	17:00:00
Qd	Order Log file	Scheduled	17:15:00
Qd	Spread Order Log file	Scheduled	17:15:00
Qd	Unit Report	Scheduled	17:15:00

In case of any rescheduling, the revised “Expected Time” would be displayed.