

National Stock Exchange Of India Limited**Department : DEBT TRADE**

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All Members,

Launch of RFQ Platform

Exchange is pleased to inform that it has received approval from Securities Exchange Board of India (SEBI) to launch **Request for Quote platform for Execution and Settlement of Trades (RFQ Platform)**. The RFQ Platform will be hosted on the existing NSE Corporate Bond Reporting and Integrated Clearing & Settlement (CBRICS) environment.

This is in continuation to our circular no. 8611 dated March 05, 2007 and subsequent revisions thereof, pertaining to CBRICS platform to report and settle corporate bond trades. As a part of continuous market development initiatives to improve liquidity in debt market, Exchange is introducing web-based RFQ Platform. It is an electronic platform where market Participants can negotiate their deals in any of the eligible securities.

The deals accepted on the RFQ Platform would flow to CBRICS platform for reporting and settlement. The Participants as permitted by SEBI/exchange from time to time can access RFQ Platform using existing CBRICS log-in credentials and click on RFQ icon and thereafter accepting the click wrap undertaking.

The provisions of this circular shall be applicable w.e.f. February 04, 2020.

List of Annexures enclosed with this circular:

Particulars	Annexure No
Operating guidelines for RFQ platform	1
Terms and Conditions for governing of RFQ (Clickwrap)	2
Mock session Details	3

**For and on behalf of
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Annexure - 1**Operating Guidelines**

These operating guidelines (the “Operating Guidelines”) shall be applicable to all Participants who use/access the RFQ Platform for execution and settlement of trades (“RFQ Platform”) of National Stock Exchange of India Limited (“NSEIL”). The RFQ Platform will be hosted on the existing NSE CBRICS environment.

- The RFQ Platform using request for quote protocol shall provide Participants a range of options to seek a quote and to respond to a quote, while keeping an audit trail of all the interactions i.e. quoted yield, mutually agreed price, deal terms etc. A Participant may request other Participants for a quote for eligible securities.
- The Participant who seeks a quote is termed an Initiator. The Participant who acts/responds to the quote request of the Initiator is termed as Responder on the RFQ Platform. The quotes will be bilaterally negotiated between counterparties based on the specified RFQ parameters. The acceptance of a quote by the Participant will be considered as mutual agreement for the given deal between the counterparties. There may not be any automated matching of the quotes in the system.
- All debt deals which are mutually agreed between two counterparties on the RFQ Platform would flow to the trade reporting platform once all the deal terms including total consideration is mutually confirmed by the Participants.
- The eligible deals on RFQ Platform will be settled by NSE Clearing Ltd. (NCL). However, in case of CPs/CDs, Participants will have to continue to follow the existing reporting & settlement mechanism once deals are executed on the RFQ Platform.
- Size of RFQ should be in multiples of face value with minimum size to be accepted as Rs. 5 lac or face value whichever is higher.
- **Eligible securities:**
The list of eligible securities for RFQ Platform would include corporate bonds, securitized debt instruments, municipal debt securities, Government securities, State development loans, Treasury bills, Commercial papers and Certificates of deposit or any other security as specified by Exchange from time to time.
- **Eligible Participants:**
The ‘Participant’ shall mean All regulated entities, Listed Corporates, Institutional Investors as defined under SEBI ICDR Regulations, 2018, All India Financial Institutions, and Any other entity as allowed by Exchange from time to time. The eligible Participants shall follow the registration procedure as given below for use and access of RFQ Platform.

The Eligible Participants shall at all times comply with the ‘Terms and Conditions’ governing the use of the RFQ Platform as may be specified by NSEIL from time to time, in addition to such other requirements as may be prescribed by the Securities and Exchange Board of India (“SEBI”) from time to time.

- **Registration procedure:**
For existing registered Participant of CBRICS platform
 - Using existing CBRICS log-in credentials from Admin user, accept the ‘Terms and Conditions’ of the platform through click wrap undertaking.New Participant
 - Complete the existing registration procedure of CBRICS
 - Using CBRICS log-in credentials from Admin user, accept the ‘Terms and Conditions’ of the platform through click wrap undertaking.

- Working Hours:**

The deals may take place on all days in line with the CBRICS holiday calendar. The G-sec, T-bills and SDLs will be available only with settlement mode of T+1. The typical working hours are as under:

Market Hours	Business / Working Days
09:00 am to 04:00 pm for T+0 settlement (Excluding G-sec, SDL and T-bills)	Monday to Friday
09:00 am to 05:00 pm for T+1 settlement (For all Eligible securities)	Monday to Friday

Exchange may revise the market timings after providing prior notification to the market Participants.

- Actions in case of failure to honour a deal**

The deals which are mutually accepted post confirmation of the total consideration by the Participants on the RFQ Platform will be binding on both the counterparties. The exchange will maintain a record of settlement failure where one of the counterparties does not fulfill its obligation towards settlement of the deal concluded on the RFQ Platform. However, the settlement status of CP/CD deals concluded on RFQ Platform may not be tracked separately as the existing reporting mechanism through F-TRAC for settlement through NCL will continue for CP/CD deals.

Exchange/Clearing Corporation may initiate appropriate penal actions as specified by SEBI /Exchange/Clearing Corporation from time to time. The penal actions would include, but not limited to, non-participation on the RFQ Platform for a given period. Any penal actions for non-participation on the RFQ Platform will be jointly coordinated among all operating RFQ Platforms in the market. The following penal actions are proposed in case of failure to settle deals transacted on the RFQ Platform.

Period	Instances of deal failure	Withdrawal of RFQ Platform access for
First month of RFQ launch	Any	No action
Next six months	Two instances	15 days
Subsequent period	Single instance	15 days

Annexure - 2**Terms and Conditions for governing of RFQ-Click Wrap Undertaking**

We by clicking “Submit/ Accept” understand the ‘Terms and Conditions’ governing our registration and subsequent use of the NSE REQUEST FOR QUOTE (RFQ) PLATFORM for Execution and Settlement of Trades (hereinafter referred to as the “Platform”) as Participants in Eligible Securities, and agree to be bound and to abide by them at all times, as modified and notified by SEBI/ NSE.

Eligible Securities shall mean “corporate bonds, securitized debt instruments, municipal debt securities, Government securities, State development loans, Treasury bills, Commercial papers and Certificates of deposit and any other security as maybe specified from time to time.”

1. We are eligible to participate on the Platform as per the eligible Participant criteria prescribed by SEBI/Exchange from time to time and shall always abide by and be compliant with all the applicable laws and the relevant regulations, rules, guidelines, directions, notifications and circulars issued by SEBI/NSE applicable to the activities carried out on the Platform for the time being in force in addition to the operating guidelines issued by NSE, in relation to the usage of the Platform (hereinafter referred to as the “Operating Guidelines”).
2. We agree to conduct our activities on the Platform fairly and diligently and shall ensure that its actions or conduct are not in any manner detrimental to the interests of NSE, or other Participants in the Platform. We are solely responsible for the RFQs/Quotes submitted by us on the Platform, and satisfying the obligations arising therefrom.
3. We understand and agree that NSE is the owner of the Platform and the website hosting the Platform (hereinafter referred to as “Site”), and shall retain all rights, title and interest in and to all intellectual property rights of NSE in the Platform and the Site provided herein, and we will not acquire any right by virtue of usage of the Platform and the Site.
4. For the avoidance of doubt, NSE shall not be assumed to be a party to any transaction initiated through the Platform.
5. We agree that we are bound to honour deals which are mutually accepted post confirmation of the total consideration on the RFQ Platform. We agree that in the event we fail to settle the deal concluded on RFQ Platform, Exchange/Clearing Corporation may initiate appropriate penal actions as specified by SEBI/Exchange/Clearing Corporation from time to time. The penal actions would include, but not limited to, non-participation on the RFQ Platform for a given period. These actions may also be jointly coordinated among all operating RFQ Platforms in the market.
6. We agree that NSE reserves the right to modify/revise these Terms and Conditions or the Platform Rules, and our continued use of the Platform is implicit of continuous acceptance of such modifications/revisions. However, the said modification/revision will be notified to us, by email or by means of a notice on the Site prior to such modification/revision becoming effective.
7. We understand and agree that our personal information, shared at the time of registration with NSE is to verify and authenticate our identity, to correspond with NSE and to fulfil legal and regulatory requirements, and are subjected to these Terms and Conditions provided herein. We understand that any unauthorized access to the Platform can result in adverse consequences, and we agree that the said consequences shall be at our sole risk and liability. We agree that NSE reserves the right to release/disclose information regarding RFQs/Quotes on the Platform to such third parties/competent authorities as may be required/ permitted by law.
8. We agree that the contents, links or information accessible or provided on the Platform or the Site by NSE including the RFQs/Quotes are available on an “as is” and “as available” basis and that

NSE makes no representations or warranties, express or implied, with regard to the same. NSE shall not be liable for any claims arising by operation of law or otherwise as to the quality, correctness, veracity, accuracy, efficacy, completeness, performance, or fitness of such content provided on the Site or the Platform, for any particular purpose, including without limitation any comments, feedback and advertisements contained on the website. We further understand all risks associated with the use of such content.

9. We agree that NSE shall not be responsible for any errors, omissions or representations made by or on behalf of the Participants, and any liability arising from the contract, tort (including negligence) or otherwise for indirect, special, incidental, punitive or consequential losses or damages, or loss of profits, revenue, goodwill or anticipated savings or for any financial loss whatsoever, regardless of whether any such loss or damage would arise in the ordinary course of events or otherwise, or is reasonably foreseeable or is otherwise in the contemplation of the parties in connection with this Site/Platform or its use. No liability is excluded to the extent such liability may not be excluded or limited by law.
10. We agree that NSE does not make any representation or provide any warranty, expressed or implied and does not provide any advice in relation to investment made, solicit or recommend or guarantee any transaction, allotment of securities or related negotiation, potential or otherwise, in connection with any issue on the Platform. We, by virtue of using the Platform, Site or software systems, shall not be deemed, construed or believed to be in compliance with various statutory, legal, regulatory and other requirements by the parties to any issue by virtue of such issue being cleared or approved by NSE.
11. We understand and agree that NSE shall promptly address any defects/problems in the system as reported to it but does not warrant that the use of the Platform shall be uninterrupted or error free. NSE shall ensure the integrity, secrecy, and retrievability of data shared on the Platform, for both inactive and active Participants, and ensure seamless functioning of the Platform and NSE's liability with regards to the same is subjected to the following disclaimer: Notwithstanding anything contained herein or otherwise to the contrary in the Operating Guidelines, unless occasioned directly due to wilful default on its part, NSE shall not be liable for any failure of its systems, or for any losses, incidental, special or consequential damages, or other costs arising in any way, without limitation, due to operational glitches, primary, supportive or ancillary in nature; or due to environmental conditions, accidents, Act of God; or fraud or wrong done by any Participant or its authorised persons, agents or any third party, including circumvention of any privacy settings or security measures on the Site or Platform.
12. We, for the duration of our registration with the Platform, agree to keep NSE and its officers, directors, employees, and agents indemnified and hold harmless against all actions, proceedings, claims, liabilities (including statutory liability), costs (including legal costs), awards, losses and/or expenses, arising as a result of any breach of any of the representations, warranties, undertakings, declarations, these Terms and Conditions, the Operating Guidelines, or any gross negligence/material omission/ fraud by them or its authorized representatives in relation to the use or operation of the Platform.
13. We understand and agree that we shall solely be responsible for the veracity and accuracy of the RFQs/Quotes submitted and that NSE can take necessary action against it, including cancellation/suspension of its activities on the Platform, or its de-registration from the Platform, for reasons including but not limited to applicable laws and the Operating Guidelines, non-compliance with these Terms and Conditions, or in case of winding up. In cases of said violations, notwithstanding NSE's right to initiate suitable interim measures, we may be provided with a reasonable notice, and an opportunity of being heard. De-registration shall not affect its obligations that have already arisen under this Agreement.

14. We understand and agrees that the use of the Platform, related services, the Site, and the contents of this disclaimer, are governed by Indian law. NSE does not represent or warrant that the Site, or the Platform, or any functionality or feature thereof, is appropriate or available for use in any particular jurisdiction. We are responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements, and hence, hereby submit to the exclusive jurisdiction of the Courts in Mumbai in relation to any disputes or differences that arise in relation the same.

Annexure - 3**Mock session Details**

The Exchange shall be conducting mock session for participants to get acquainted with RFQ platform as per following schedule & details:

URL for Mock	https://bricsonlinereguat.nseindia.com/bonds/gui/index.jsp
Mock Period	Jan 29, 2020 to Jan 31, 2020

Mock Admin user creation Request

Participants who intend to participate in RFQ mock session need to send email request in the below format to msm@nse.co.in with subject line RFQ UAT Admin Creation for <PARTICIPANT CODE>

Participant Code	Participant Name	Mobile Number	E-mail id

- An email shall be sent with Admin User details and password on the above email id as provided by participant.
- Participant shall reset password and establish successful login after providing OTP received on mobile number/ email.
- After log-in, Admin User are requested Accept Terms & Conditions for RFQ and thereafter place orders in Mock UAT through Admin/Dealer type log-in.