

National Stock Exchange Of India Limited**Department : Capital Market Segment**

Download Ref No: NSE/ CMTR /44833

Date : June 30, 2020

Circular Ref. No: 51/2020

All Members,

Offer for Sale – Introduction of Interoperability

SEBI issued the broad framework for interoperability among clearing corporations vide circular ref. no. CIR/MRD/DRMNP/CIR/P/2018/145 dated November 27, 2018 to allow market participants to consolidate their clearing and settlement functions at a single Clearing Corporation (CC), irrespective of the stock exchange on which the trade is executed. In view of the same, NSE Clearing Ltd. vide its circular ref. no. NCL/CMPT/44808 dated June 29, 2020 has provided the effective date for implementation of Interoperability of Clearing Corporations for Offer for Sale (OFS).

In this regards, Members are requested to take note of the following functional changes envisaged in eOFS platform:

- 1) **Validation of Unique Client Codes (UCC):** Trading members shall ensure that UCC of self (PRO) and client is updated in Unique Client Identification (UCI) database a day prior to the start of the OFS bidding session. Trading Member or its Clients shall not be able to participate, if the UCC is updated on the day of OFS bidding session and orders shall not be accepted.
- 2) **Custodian Participant (CP) orders by trading member:** CP orders shall be validated at order entry level against the margin indicator maintain by the CCs/Exchange. Only valid orders (post check of margin indicator and UCC) shall flow to respective CCs.
- 3) **Order Management:** In case of order level risk management wherever applicable, orders shall be sent to the designated CC of the clearing member opted by the NSE trading member for checking sufficiency of the available collateral.
- 4) **Order status report (Allocation report):** This report shall provide bid wise confirmation and allocation status in the existing path on Member extranet.
- 5) **Retail bid rejection report:** This report shall contain the list of bids not considered for allotment due to aggregate value of bids at PAN level exceeding 2 lacs across exchanges in the existing path on Member extranet.

All other provisions as contained in comprehensive scheme governing OFS of shares through the stock exchange mechanism will continue to be applicable after introduction of interoperability.

Trading members and the issuers are required to abide by the revised operating guidelines and terms & conditions of this circular (Annexure - A) or any other circular(s) issued from time to time with regard to OFS by NSEIL and such other requirements as prescribed by SEBI, or any other regulatory authority.

This circular shall be applicable for OFS issues starting **on or after July 13, 2020**.

For any queries, kindly mail us at msm@nse.co.in or call - 1800 266 00 50.

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**For and on behalf of
National Stock Exchange of India Limited**

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