
National Stock Exchange of India Limited

Frequently asked Questions (FAQ's): Revision in Contract Note Format on account of single Volume weightage average price (VWAP)

Q-1: Is the revised contract note format mandatory or voluntary?

Ans: As per SEBI directives, Exchange circular dated May 13, 2024, on the revision in contract note format is mandatory for all categories of clients of Equity and Derivatives segment.

Q-2: Will revised format of contract note be applicable for other segment such as OFS, buy back or debt segment.

Ans: No, as OFS and OTB are bidding process. However, members may use new format for providing Exchange wise contract note.

Q-3: Transaction charges are different across Exchanges. Can combined transaction charges across Exchange be provided in revised contract note?

Ans: Exchange transaction charges shall be provided on combined basis in revised contract note format.

Q-4: Will there be any impact on settlement or reporting of trades executed under "block deal" or "bulk deal" across Exchanges?

Ans: There will be no change in the existing reporting mechanism of bulk or block deal and Exchange wise reporting shall be maintained. A combined contract note having single WAP across Exchanges shall be issued for trades executed under block or bulk deal to the clients.

Q-5: Is it mandatory to send complete details of trade as annexure?

Ans: The member shall ensure that details of trades such as Contract number, security/contract detail, Exchange, Order No., Order time, Trade No., Trade Time, Traded quantity, price etc is attached to the contract note as an Annexure.

Q-6: Is it mandatory for brokers to provide one WAP across exchanges or is it optional based on client requirement?

Ans: It is Mandatory to issue all contract notes including electronic contract note (ECN) with single WAP for trades done across Exchanges per security/common contract.

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Q-7: How the VWAP (Volume Weighted Average Price) would be calculated across the exchanges?

Ans: $VWAP = \frac{\text{Total buy/sell trade value for ISIN across Exchanges}}{\text{Total number of securities bought/sold across Exchanges}}$

Q-8: Will there be any changes in the price precision i.e. two decimals or four decimals?

Ans: It will be the choice / arrangement between client/member on providing average trade price upto 2 or 4 decimal places.

Q-9: What changes will take place in existing mechanism of STP gateways?

Ans: Fields of exchange identification shall be removed and changed. The revised format of ECN shall incorporate the WAP calculation across Exchanges per security/common contract note. Further, revised STP formats will be published by Exchanges.

Q-10: Are there any changes expected in communication between Client/Global Custodian/Local Custodian to align with the matching process?

Ans:

- Broker back office to send trade execution via OMGEO / CTM to FPI for combined trade qty and VWAP across exchanges.
- FPI back office to provide single trade instruction across exchanges to Global Custodian (GC)
- Broker to send single Contract Note / ECN with VWAP across exchanges to Local Custodian (LC)

Q-11: In addition to exchange identifier, will there be any change in the settlement number population in the STP format?

Ans: There is no change. Settlement number will prevail akin to existing.

Clearing Corporations will be publishing FAQ in respect OTR, PTA reporting and any other impacted files / reports pertaining to CCs.

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