NATIONAL STOCK EXCHANGE OF INDIA LIMITED

DEPARTMENT : MEMBERSHIP	
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To All Members

Sub : Introduction of new class of membership 'Alpha '

Since inception, the Exchange has been taking various initiatives to offer innovative and best in class products and services cost effectively to its members and investors. Most of these initiatives are of pioneering nature. While doing this, NSE has always strived to maintain fine balance among multiple objectives of market development, market integrity, investor protection and cost optimization for its members in setting up & developing their operations and service networks.

Members are aware that NSE has professionalized the broking industry by bringing in the concept of deposit based membership, which has opened up opportunities to large number of professionals to enter the broking industry for the first time. Over the years these professionals have thrived and have helped the broking industry to achieve internationally benchmarked service and compliance standards.

In any market ecosystem, different types of market intermediaries co-exist. These intermediaries could have varied structures, diverse objectives and serve different classes of investors. For example, some intermediaries may focus on servicing retail clients spread across the geography while others could focus on providing services to institutional clientele. Some of them may choose to service niche client segment while still others may not take on clientele business altogether. The systemic challenges posed by each of these categories of intermediaries would vary. For example, a retail brokerage servicing large number of clients could be required to establish and manage elaborate systems and processes to handle client funds / securities so as to protect investors' interests whereas the same may not be the case with a brokerage firm that essentially trades on its own account.

In the current scenario all market intermediaries irrespective of their size, complexity of operations and nature of clientele are subjected to same base capital, networth and other such requirements. However, it is felt that there is a need to encourage smaller and nimbler firms that may not have the financial wherewithal to meet the stringent capital and networth requirements but can bring in innovative trading ideas and strategies that could add to the liquidity of the trading platform while not compromising on the paramount objective of investor protection. Such additional liquidity and resulting market depth would benefit all market participants including retail investors.

With a view to meet the needs of such entities, the Exchange has decided to launch a special class of membership called **'Alpha'** designed to provide quick, easy and cost efficient access to the trading platform.

The following are the features of **'Alpha'**

1. Membership will be offered separately for CM and F&O segments as well as a combination of both CM and F&O.
2. Deposit structure for the new category of trading membership would be as below.

Segment	Cash Deposit (Rs. In lacs)
CM	20
F & O	25
CM and F&O	45

3. No admission fee would be charged.
4. Maximum number of Client IDs allowed under this category will be 50. This is being allowed only to handle order flow of Family and Associate Firms / Companies.
5. Networth requirement will be as follows :

Segment/Category	Net worth (Rs. In lacs)
CM- Trading & Self Clearing	50
F&O – Trading	50
F&O – Trading & Self Clearing	100
F&O – Trading & Clearing	300

6. Existing members of the Exchange will be allowed to convert their current membership to the new category 'Alpha'. Surplus deposit will be utilized towards any dues of the members to the Exchange and balance, if any, at the end of three years will be refunded to the members. It may further be noted that, in the interim,the surplus deposit amount as available will also be considered for member's trading exposure purpose.

In case of any clarifications, kindly contact Mr. Yogesh Deshmukh / Ms. Sonal Sood on telephone number 022-2659 82 49.

For and on behalf of
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