

National Stock Exchange Of India Limited**Department : Member Service****Download Ref No: NSE/MSD/44832****Date : June 30, 2020****Circular Ref. No: 45/2020**

All Market Participants,

Sub: Non-Neat System Approvals

This has reference to SEBI Circular No. CIR/MRD/DP/26/2010 dated August 27, 2010 regarding introduction of Smart Order Routing and SEBI Master Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/87 dated June 01, 2018 for Stock Brokers. Reference is also drawn to Clause B (1) of the Code of Conduct as specified in Schedule II of Regulation 9(f) of SEBI (Stock Brokers) Regulations, 1992, which stipulate that the broker should execute transactions for its clients at the best available market price.

As per the provisions of these circulars, trading members, empaneled vendors and application service providers providing Internet Based Trading (IBT)/ Security Trading through Wireless Technology (STWT) services are requested to ensure that they abide by the above provisions while seeking Non Neat system (NNF) approval from the Exchange. Any IBT/STWT system used for trading by clients shall not have the default option of providing preference to any particular trading venue at the time of placement of orders. For trading members offering more than one trading venue, clients have to be provided all exchange options available and clients should be required to choose one, while placing each order.

The above requirement shall be applicable for all existing IBT/STWT systems registered with the Exchange and to all new applications going forward. A separate circular shall be issued in due course providing operational modalities and timelines regarding both these aspects.

The trading members, empaneled vendors and application service providers of the Exchange are hereby advised to take note of the above and ensure the conformance and compliance to the above requirements.

For and on behalf of
National Stock Exchange of India Limited

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