NSE

Circular

National Stock Exchange Of India Limited

Department : Member Service	
Download Ref No: NSE/MSD/45262	**Date : August 06, 2020**
Circular Ref. No: 58/2020	

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 No. SEBI/HO/MRD/DP/CIR/P/117 dated October 25, 2019 for Stock Exchange and Clearing Corporation. 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. Exchange circulars to that effect were issued on June 30, 2020 bearing reference no NSE/MSD/44832 and circular NSE/MSD/44952 dated July 08, 2020.

In view of the aforesaid SEBI circulars, Trading Members (TMs), Empaneled Vendors and Application Service Providers are requested to ensure that any Non Neat Front (NNF) system i.e. all electronic systems or applications used by the TMs to connect to the exchange, should not have the default option of providing preference to any particular trading venue at the time of placement of orders. For TMs offering more than one trading venue, a provision of all exchanges should be made available and a particular trading venue should be chosen while placing each order.

The above requirement shall be applicable for all existing NNF systems registered with the Exchange and to all new applications going forward. The below mentioned provisions have been made available, enabling TMs to provide conformance in this regard;

I. New applications for NNF systems:
   - In addition to provisions made for new ENIT application forms vide circular NSE/MSD/44952 dated July 08, 2020, a provision for confirmation in all other NNF application forms on ENIT shall be available.

II. Existing NNF systems registered with the Exchange:
   - A provision shall be available on the Member portal for TM to provide their conformation on compliance of the said requirement.
   - TMs are requested to submit the conformance latest by September 15, 2020
   - Since the above provisions are applicable to all NNF systems, the TMs who have already provided the confirmation basis our circular NSE/MSD/44952 dated July 08, 2020 shall have to resubmit the same. Inconvenience in this regard is highly regretted.

Above mentioned system provisions shall be made available from start of business hours on August 11, 2020.

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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