

National Stock Exchange Of India Limited**Department : Member Service****Download Ref No: NSE/MSD/46601****Date : December 10, 2020****Circular Ref. No: 88/2020**

All Market Participants,

Sub: Non Neat Systems - Testing of software used in or related to Trading and Risk Management

This is in continuation to our circular No. NSE/MSD/46441 dated November 24, 2020 regarding Testing of software used in or related to Trading and Risk Management. In this regard, salient features of the Simulated Environment (SE) provided by the Exchange are given below:

I. Availability and Access:

- a. Access to SE has been made available to all members irrespective of their methods of connecting to the Exchange.
- b. Members can access SE through the same connectivity and access setup as done for the Live environment.
- c. SE is available in the evening on all trading days for CM, FO, CD and COM segments.
- d. SE is available after market hours i.e. from 17:30 hrs. to 22:15 hrs.

II. Liquidity Generation Tool:

- a. The Exchange provides Live like trading experience in SE by submitting orders into SE, thereby providing liquidity to participating members for testing their Non-NEAT Frontend (NNF) applications.
- b. For this purpose, past days actual order data from live market is used to create market depth and liquidity. The aforesaid data shall not be older than one month from the day of the SE.
- c. The liquidity generation tool is run for about 2 hours i.e. from 18:00 hrs to 20:00 hrs on all days when the environment is available.

III. Information dissemination:

- a. Members are provided multicast tick by tick and 5 depth data in SE just like Live trading environment.
- b. Summarized participation reports are also available to members in their respective FTP folders i.e. Activities reports (orders and trades) and Algo Id report.

The detailed guidelines, parameters etc. w.r.t. the SE have been provided vide Exchange consolidated circular NSE/MSD/44892 dated July 3, 2020. Members are requested to refer the same and subsequent circulars issued in this regard from time to time.

IV. Registration of member NNF software with the Exchange:

- a. The term 'software' shall mean electronic systems or applications used by trading members for connecting to the Exchange and for the purposes of trading and real-time risk management, including software used for CTCL (Computer to Computer Link), IBT (Internet Based Trading), DMA (Direct Market Access), STWT (Securities Trading through Wireless Technologies), SOR (Smart Order Routing), AT (Algorithmic Trading).
- b. As per the operating guidelines communicated vide Exchange circular NSE/MSD/41332 dated June 17, 2019, for approval of NNF software, members are required to provide Date/s of UAT performed, Date/s of testing in Test Market Environment and Date/s of participation in Mock or Simulated environment (as applicable) as a part of Auditor's Certificate.
- c. Members may now note that they shall continue to provide Date/s of UAT performed and Date/s of testing in Test Market Environment as a part of Auditor's Certificate. However, Date/s of participation in Mock shall not be mandatory. Members can now provide either the Mock or SE participation date/s in the auditor's certificate for testing of new software or existing software that has undergone any change of functionality.
- d. The SE participation date/s in the auditor certificate shall be on or after the implementation date of this circular.

This circular shall be effective from start of business hours of December 21,2020.

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

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Associate Vice President**

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