

National Stock Exchange of India

Circular.

Department: NMF TM Segment	
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Launch of “Execution only Platform” (EOP) on NSE MF Platforms

All Members,

Securities Exchange Board of India (“SEBI”) issued circular dated June 13, 2023, on ‘Regulatory framework for Execution Only Platforms for facilitating transactions in direct plans of schemes of Mutual Funds’, which will come into force with effect from September 01, 2023.

Pursuant to the said SEBI circular, entities providing such execution services to investors in direct plans of Mutual Fund schemes through their technology/digital platforms, are required to obtain registration as a stockbroker in terms of the SEBI (Stockbrokers) Regulations, 1992 under the EOP segment of stock exchanges. Additionally, SEBI has also amended and notified the SEBI (Stockbrokers) Regulations, 1992 on January 17, 2023, for recognizing stockbroker registered on the EOP segment of stock exchanges.

Any entity desirous of operating as an EOP, is required to be a body corporate and obtain registration as a Stockbroker in terms of the SEBI (Stockbrokers) Regulations, 1992 under the EOP segment of the Exchange.

Thus, the Existing members of the Exchange as well as body corporates desirous of being onboarded on the EOP Segment of the Exchange as a New Member, may apply for enablement post completion of the registration process in the EOP Segment. An outline of the process is mentioned below:

The existing as well as New Members applying for Membership on the platform will have two options:

- 1) New Exchange Membership for EOP Segment
- 2) Existing Trading Member opting for Membership of EOP Segment

- 1) New Exchange Membership for EOP Segment:

- a) Application of New Membership:

This membership is only for Corporates and all the necessary documents for applying for membership of EOP segment is available on the link:

<https://www.nseindia.com/trade/documents-for-membership>

- b) Enablement in the EOP Segment at NSE:

Details regarding enablement documentation and formalities shall be communicated through a separate circular.

c) Issuance of User id:

- i. Once the Membership is activated, the user id will be issued, and the Membership will be able to post trades (only for Mutual Fund) on the NSE Mutual Fund Platform
- b. The detailed user manual is shared in Annexure 2 for the Member to use the entire platform and register Mutual Fund trades on the platform.

2) Existing Trading Member opting for Membership of EOP Segment:

a. Application for EOP Segment:

The Member needs to provide an additional registration document for EOP segment as provided in <https://www.nseindia.com/trade/membership-formats>

b. Enablement in the EOP Segment at NSE:

- i. Details regarding enablement documentation and formalities shall be communicated through a separate circular.

c. Issuance of User id:

- i. Once the Membership is activated, the user id will be issued, and the Membership will be able to post trades (only for Mutual Fund) on the NSE Mutual Fund Platform.
- ii. The detailed user manual is shared in Annexure 2 for the Member to use the entire platform and register Mutual Fund trades on the platform.

3) Other Guidelines for EOP Category 2 Member:

a. Applicability & Scope:

- i. The applicability and scope have been provided in the SEBI circular dated June 13, 2023, regarding EOP Category 2 attached herewith as Annexure 1 will be applicable to the Members registering in the EOP segment on NSE MFSS platform.

b. Rights & Obligations:

- i. The rights and obligations for EOP Category 2 shall be primarily in lines with the rights and obligations of the existing trading members, however, such rights and obligations along with alterations due to any business nuances, shall be issued through a separate circular.

c. Transaction fees:

- i. The EOP Category2 may levy a flat transaction fee on the investors not exceeding Rs 2 per transaction.

d. Nature of Transactions:

- i. In the initial phase, the EOP category2 member will be able to facilitate only demat transactions on NSE MFSS platform. The Non-demat transactions will be facilitated in the due course of time.

e. File Structures & User Manual:

- i. There are no changes in the file structure, and it will continue to be same as MFSS formats. User Manual is attached in Annexure2 and Web API file Structure is attached in Annexure3.

Members are requested to take note of the above-mentioned requirements and apply for the EOP Category 2 Membership accordingly.

Enclosures:

- Annexure 1: Regulatory Framework for EOP segment through SEBI Circular - SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/86 dated June 13, 2023.
- Annexure 2: User Manual for MFSS platform
- Annexure 3: Web API specification

For and on behalf of
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