Press Release Archives
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STP Interoperability launched

Shri G N Bajpai, Chairman SEBI, inaugurated the Straight Through Processing (STP) inter-operability framework at NSE premises.

Straight Through Processing (STP) is a process driven mechanism to control all elements of the work flow in a financial transaction that allows electronic capturing and processing of transactions in one pass from the point of origination to settlement.

STP was launched in India in November 2002. STP is currently being used by the market participants on a voluntary basis. Several STP Service Providers have been providing STP service to the market participants; however, there was no inter-operability between the STP Service Providers.

NSE has now set up the STP Central Hub to provide inter-operability between the STP service providers. The STP service providers connect to the STP central hub for the purpose of sending and receiving messages between them. The STP Central Hub facilitates the smooth flow of messages between users of different service providers. With interoperability in place the market participants can avail of the STP services offered by any of the service providers. SEBI has vide its circular no DNPD/Cir-22/04 dated April 1 2004 directed that all the institutional trades executed on the stock exchanges shall be mandatorily processed through the STP System with effect from July 01, 2004.

Shri G N Bajpai launched the STP interoperability and to mark the launch a contract note message was sent by a trading member to an institutional client as per the STP format IFN515. A delivery instruction for payment message was sent by an institutional client to a custodian as per the STP format IFN 540. The messages were exchanged by the market participants by utilizing the STP services offered by the four service providers, BSE, FT, NSDL and NSE.IT.

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