

FAQs for Non NEAT Front End Registration Process

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Background:

NSE offers to its trading members, a facility, by which members can use their own trading front- end software to trade on the NSE trading system. This facility is referred to as 'Non NEAT Front End' (NNF facility) and is available to all members of the Exchange.

FAQs:

1. What type of software shall be considered as NNF?

'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 Computer to Computer Link (CTCL), Internet Based Trading (IBT), Securities Trading through Wireless Technologies (STWT), Direct Market Access (DMA), Smart Order Routing (SOR), Algorithmic Trading (AT), etc.

2. What do you mean by Computer to Computer Link (CTCL)?

Members have the option to use their own software running on any suitable hardware/software platform of their choice. This software, which is a replacement of the NEAT front-end software, is used by members to trade on the NSE trading system. The dealers of the member may trade using the software, through the member's own private network, subject to approvals from Department of Telecommunication etc. as may be required in this regard.

3. What do you mean by Internet Based Trading (IBT) and Securities Trading through Wireless Technologies (STWT)?

Internet based trading takes place through order routing systems, which will route client orders, to exchange trading systems, for execution of trades on the existing stock Exchanges. Securities Trading using Wireless technology includes devices such as mobile phone, laptop with data card, etc, that use Internet Protocol (IP).

4. Can I seek STWT registration prior to IBT registration?

No. Only SEBI registered brokers who provide IBT are eligible to provide STWT. All relevant requirements applicable to IBT are also applicable to STWT.

5. What is meant by Direct Market Access (DMA)?

Direct Market Access (DMA) is a facility which allows brokers to offer clients direct access to the Exchange trading system through the broker's infrastructure without manual intervention by the broker.

6. What is meant by Smart Order Routing (SOR)?

Smart Order Routing allows the brokers trading engines to systematically choose the execution destination based on factors viz. price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

7. What is Algorithmic Trading (AT)?

As defined by SEBI any order that is generated using automated execution logic is known as algorithmic trading.

8. From where can I procure Non NEAT Front End software?

Presently, there are 3 options available to members:

1. NNF software may be developed by member in-house teams/ procured from non-empanelled vendors.
2. NNF software can be procured through Exchange Empanelled Vendors.
3. NNF software can be availed through the services of an Application Service Providers (ASPs) empanelled with the Exchange to offer such services.

9. I wish to develop In-House software. How should I proceed?

- a) Register with the Exchange as an In-house member.
- b) Apply for access to the Exchange Test market environment.

10. What do you mean by In-House Member?

Members who opt to develop and use their own trading front-end software (i.e. software developed by their in-house teams) OR procured from non-empanelled vendors to connect and trade on the NSE trading system are known as 'In-House' Members.

11. How do I apply for In-House registration?

Member can submit online application for registration of In-House facility under undertaking submission in ENIT-NEW-TRADE on Member portal at path: TRADE > NNF REGISTRATION > UNDERTAKING SUBMISSION. Kindly refer NSE circular Ref. No. NSE/MSD/57331 dated June 28, 2023.

12. Are there any charges towards In-House registration?

Yes. The charges are Rs.50,000/- (annual recurring charge) + applicable taxes.

13. How can I make the payment?

Payment for the same is collected from the Member's Exchange Dues account.

14. What documents can I refer to develop In-House software?

Members have to refer to Exchange provided documents that describe the protocol to be used for Non-NEAT Front-end (NNF) applications to communicate with the Exchange's Trading System, known as Application Programming Interface (API). These are available on the Exchange website at: <https://www.nseindia.com/trade/platform-services-neat-trading-system-protocols>

15. What are the pre-requisites to seek registration of NNF software?

Submission of Common NNF Undertaking: Members seeking registration of their NNF software for the first time, need to prior submit an Undertaking Submission request. Members can place their request through ENIT-NEW-TRADE on Member portal and access the module at path: TRADE > NNF REGISTRATION > UNDERTAKING SUBMISSION.

Documents to be submitted:

Common NNF Undertaking on Stamp Paper (Physical copy to be submitted to the Exchange)
Board Resolution

Common Undertaking – Annexure I, needs to be submitted only once. If Common

Undertaking – Annexure I is submitted while registration with Empaneled Vendor then the same is not required to be submitted at the time of In-House/ASP Software registration and vice versa.

16. What are the list of documents to be submitted for the various NNF products procured through In-House or Empanelled Vendors?

Post submission of the Undertaking request, members can proceed with submitting of applications through the online portal ENIT. Members are advised to refer to the circular for the list of documents to be submitted for both new as well as modified software/systems before applying on ENIT. For SOR, member is required to submit the application in physical form.

For formats of the applications, members can refer to circular reference number NSE/MSD/57331 dated June 28th, 2023.

17. Which are the exchange empanelled vendors for NNF Software?

The member can procure NNF software from the vendors empanelled with the exchange. The list of Exchange empanelled vendors is available on the Exchange website at <https://nseindia.com/trade/platform-services-non-neat-empanelled-vendors-of-the-exchange>

18. I wish to avail the services of Application Service Provider (ASP). How should I proceed?

The list of Application Service Provider's empanelled with the Exchange is available on the Exchange website at <https://nseindia.com/trade/platform-services-non-neat-empanelled-vendors-of-the-exchange> Members desiring to avail ASP services are required to submit their applications to the respective ASP. Members can refer NSE circular ref no NSE/MSD/57331 dated June 28th, 2023 regarding the list of documents to be submitted to ASPs.

19. Can I surrender my NNF products registered with the exchange?

Yes, you can surrender your registered NNF products. However, before submitting your surrender request, members are advised to disable all user IDs activated under the respective products. Members can refer NSE circular ref no NSE/MSD/57331 dated June 28th, 2023 regarding surrender request of NNF software.

20. What is the process to surrender my registered NNF products?

NNF products can be surrendered through ENIT-NEW-TRADE on Member portal and access the module at path: Trade > NNF surrender > Surrender Request

21. Whom can I speak to in case of any queries / clarifications?

You can reach the Member Service Department at 1800 266 0050 (option 1) or email us at msm@nse.co.in

NNF software registration from Empanelled Vendor

Members seeking registration for new software/systems of CTCL, AT, IBT, STWT or DMA are required to submit following documents through the online portal ENIT. For SOR, member is required to submit the application in physical form - along with below mentioned documents:

1. Auditor report - Member shall submit - system audit report in the prescribed format Annexure II. In this report, the system auditor shall cover the following areas of audit and submit the findings:
 - Risk Management
 - Security Policy and implementation
 - Capacity Management
 - Disaster Recovery and Backups
 - Vulnerability Test
2. Auditor's certificate - In the auditor certificate, the auditor shall inter alia certify satisfactory test undertaken in User Acceptance Test (UAT) at Member end, Exchange Test Environment and Mock Testing or Simulated (as applicable). The format is attached as Annexure III.
3. Vendor confirmation letter Annexure V to be provided (*only in case of AT*)
4. Additionally for In-House registration, Product write-up including write up on Risk Management Systems is required.

Note:

Common Undertaking – Annexure I, needs to be submitted only once. If Common Undertaking – Annexure I is submitted while registration with Empanelled Vendor then the same is not required to be submitted at the time of In-House/ASP Software registration and vice versa.

Modification of already registered software from Empanelled Vendor

Members seeking registration for modified software/systems of CTCL, AT, IBT, STWT or DMA shall provide the following documents through the online portal ENIT. For SOR, member is required to submit the application in physical form - along with below mentioned documents:

Sr.No.	Request Type	Documents
1	Change in software and Server	<ul style="list-style-type: none"> • Auditor Report Annexure II • Auditor Certificate Annexure III • Vendor confirmation letter (only incase of "AT" software) Annexure V
2	Change in Software	<ul style="list-style-type: none"> • Auditor Certificate Annexure III • Vendor confirmation letter (only incase of "AT" software) Annexure V
3	For any change other than RMS/ OMS/ Feature/ Functionality of software	<ul style="list-style-type: none"> • Auditor Certificate Annexure III

Modification of already registered In-house software

Members seeking registration for modified software/systems of CTCL, AT, IBT, STWT or DMA shall provide the following documents through the online portal ENIT. For SOR, member is required to submit the application in physical form - along with below mentioned documents:

Sr.No.	Request Type	Documents
1	Change in software and Server or Change in Server	<ul style="list-style-type: none"> • Auditor Report Annexure II • Auditor Certificate Annexure III • Product and RMS writeup
2	Change in Software	<ul style="list-style-type: none"> • Auditor Certificate Annexure III • Product and RMS writeup
3	For any change other than RMS/ OMS/ Feature/ Functionality of software	<ul style="list-style-type: none"> • Auditor Certificate Annexure III • No change letter Annexure IV