

Process Flow for Request for Quote Platform

for execution and settlement of trades



Following types of Request for Quote (RFQ) options will be available with initiator.

- “Specific Security Level” Request for Quote
- “Generic” Request for Quote

Request for Quote - “Specific Security Level”

Quote Initiation:

- Participant i.e. Initiator will request quote for specific security by selecting ISIN
- Both Bid (Buy) /Offer (Sell) executable quotes can be entered by initiator
- At the time of quote initiator will provide yield, value (face value in crs), settlement date, and other parameters like identity disclosure (anonymous/disclosed), private/public, fixed/negotiable, quantity condition etc.
- Initiator can withdraw the quote at any time before the acceptance of quote
- Quote will be valid till the time selected by initiator or will auto-expire at the end of the trading session for the day.

Quote Response:

- The quote will be displayed in market watch screen only to participant selected by initiator for requesting quote. Those participants who are allowed to respond to the quote, are called as “Responder”
- If initiator selects public then quote will be seen by all eligible participants, else it will be seen by specific participant only.
- Responder can respond by accepting the deal or negotiate with initiator by providing an alternative quote. In case negotiation type selected as “Fixed” by initiator while initiating quote, responder can only accept the quote.
- Basis the quantity condition selected by initiator, responder can respond
 - Any quantity: Responder can offer any quantity upto a maximum quantity requested.
 - Minimum fill: Responder cannot offer quantity lower than minimum fill quantity requested by initiator.
 - All or none: Responder can only offer requested quantity only without altering the quantity
- The responder can set time validity of his responding quote.
- The deal gets accepted subject to counter party limit.

Negotiation:

- Negotiation can happen on various parameters like yield, quantity, settlement type etc.
- Upon receiving the response, initiator can accept, reject or further negotiate with the responder. Each quote has its own time validity.
- Initiator/responder are allowed to do multiple negotiations
- The cycle continues till one of the parties accepts the quote.
- Once the required quantity of initiator is filled, other responders will not be allowed to accept the quote. They can only negotiate and request initiator to accept additional quantity
- All negotiations will be one to one and will not be visible to other participants

- Identity disclosure will remain same throughout the negotiation process as set by initiator at the initiation of quote.

Final Confirmation

- The name of counter-participants will be visible to both the parties in the Deal Book.
- Once the quote is accepted, total consideration (clean price, accrued interest for total RFQ) will be finalized by both the parties.
- When both the parties will confirm the total consideration, trade will automatically get reported on CBRICS and go for settlement (except for CPs and CDs). If counterparties fail to settle deal, then it will be treated as settlement failure. Further RFQ trades will be disseminated separately on Exchange website (www.nseindia.com).

In case, one of the parties does not confirm the total consideration then trade will not go for reporting and settlement

Request for Quote - “Generic”

Quote initiation:

- “Generic” RFQ can be initiated only for bid (buy)
- In generic quote, initiator will not request quote for specific security but request quote based on combination of conditions like tenor of security, value, rating of security, category of issuer etc (eg: looking to buy AA+ NBFC maturing in March 2023).
- At the time of initiating quote, initiator can specify other parameters like anonymous/disclose, private/public, fixed/negotiable, quantity condition etc.

Response to Quote

- Responder will provide specific security quote to initiator based on conditions set forth by initiator
- Initiator can receive multiple quotes
- Post this the “Specific Security” RFQ procedure related to response to quote, negotiation, final confirmation will be applicable.

Kindly refer NSE circular “launch of RFQ Platform” for details pertaining to eligible securities, eligible participants, registration procedure, working hours, Actions in case of failure to honor a deal, Terms and Conditions etc.