

FAQs on NSE RFQ Platform

1. What is NSE RFQ platform?

NSE Request for Quote platform (NSE RFQ Platform) is meant for execution and settlement of Trades. It allows market participants to transact in debt securities by requesting quotes from number of participants simultaneously and transact, based on mutual agreement on the deal parameters

2. What are the key features of the NSE RFQ Platform?

Key features include:

1. Web based platform – hosted on NSE CBRICS environment
2. Quotes can be requested from specific group/entire market
3. Identity can be kept anonymous/disclosed
4. Limit setup at Entity, Counterparty, Portfolio, Issuer, Dealer, Single order level
5. Yield & price calculation using cash flows from term sheet
6. CBRICS reporting and settlement after price confirmation

3. Who are the eligible participants?

All regulated entities, listed corporates, Institutional Investors as defined under SEBI ICDR Regulations, 2018, All India Financial Institutions and any other entity as allowed by Exchange from time to time will be eligible to participate on the RFQ platform. These participants shall have RFQ Platform access directly and/or through Eligible Trading Members.

Other Participants include the ones who are not covered above, including retail investors. These participants shall have RFQ Platform access only through Eligible Trading Members. These participants shall have to contact Eligible Trading Members for registration and further execution of transaction on RFQ Platform.

4. What is the role of Stocks Broker on the RFQ Platform?

Registered members of the debt segment enabled on RFQ Platform, shall execute transactions on RFQ Platform on behalf of eligible participants. The settlement of the transactions take place directly between NSE Clearing Corporation and Client.

5. What is the procedure of registration to operate on NSE RFQ Platform?

For existing registered participants of CBRICS platform

- Using existing CBRICS log-in credentials from Admin user, accept the 'Terms and Conditions' of the platform through click wrap undertaking.

New Participant

- Complete the existing registration procedure of CBRICS

- Using CBRICS log-in credentials from Admin user, accept the 'Terms and Conditions' of the platform through click wrap undertaking.

6. Is there an upfront payment of margin required to place orders on RFQ Platform?

No margins are required to execute transactions on RFQ Platform, the transfer of funds/securities are done post execution of transaction on the settlement day

7. Is it an automated order matching trading platform?

No. The participant, once satisfied with all deal parameters accepts the deal of their choice.

8. Can a participant request quotes from entire market?

Yes. Participants will have to select access as 'OTM' to request quotes from all participants who have an access to RFQ Platform. In order to request quote from selected participants, select access as 'OTO'.

9. Do the participants have a choice of disclosing identity before a initiating quote?

Yes, participants will have an option to keep identity anonymous or disclosed based when they setup the RFQ

10. Can other participants view the negotiations between two parties?

No, negotiations are strictly one to one, other market participants cannot view them.

11. What is the option available to a participant who doesn't want to negotiate and is firm on her yield/price and quantity?

Participant while initiating a quote, will have to choose negotiating condition as 'Fixed'. In this case, responder will have an option to 'accept' or 'ignore' the quote and no option to negotiate.

12. Does NSE RFQ Platform have a built-in yield-price calculator?

Yes, for securities where cash flows are available.

13. Do the participant have to report deals separately on CBRICS after executing trades on NSE RFQ platform?

No, all deals in corporate bonds will be reported on CBRICS platform automatically. However, in case of CPs and CDs, participants have to follow the existing mechanism for reporting deals to F-TRAC platform.

14. Can RFQ Platform of NSE be linked with any other front office/back office systems to have seamless flow from initiation of the quote to execution, settlement and further reported on any other system?

To integrate RFQ Platform with existing front office/back office systems, APIs have been made available for seamless transaction flow.

15. What are the types of securities eligible on NSE RFQ Platform?

The list of eligible securities for RFQ Platform would include corporate bonds, securitized debt instruments, municipal debt securities, Government securities, State development loans, Treasury bills, Commercial papers and Certificates of deposit or any other security as specified by Exchange from time to time.

16. Is demat account mandatory to transact in G-sec, SDL, T-bills on NSE RFQ Platform?

Yes

17. What is the penal action in case of failure to honor the deal?

The penal actions are driven by the trade cancellation/modification policy available on the RFQ Platform. The penal actions include but are not limited to non-participation on the RFQ platform for 15 days. Any penal actions for non-participation on the RFQ Platform will be jointly coordinated amongst all operating RFQ Platforms in the market.

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