

**National Stock Exchange Of India Limited**

Department : FUTURES &amp; OPTIONS SEGMENT

Download Ref No: NSE/ FAOP/40133

Date : February 05, 2019

Circular Ref. No: 17/2019

All Members,

## Prevention of Self-Trade

This is further to Exchange circulars NSE/FAOP/37519 dated April 12, 2018 and NSE/FAOP/38037 dated June 15, 2018 regarding “Prevention of Self Trade”.

Based on SEBI directive, with a view to further strengthen Self-Trade Prevention (STP) mechanism; the applicable provisions are being revised as follows:

1. For PRO / Client (Non CP Code) order: If an active PRO / Client (Non CP Code) order is likely to match with any passive order (PRO / Non CP Code Client / CP Code Client) having the same PAN (Permanent Account Number) in the same order book; then the active or passive order (full or partial as the case may be) as per the option set in order entry shall be cancelled by the Exchange with rejection message “Order cancelled by the System – The order could have resulted in Self-trade”.
2. For Custodial Participant (CP Code) order:
  - a) If an active CP code order is likely to match with a passive CP code order having the same CP code in the same order book; Or
  - b) If an active CP code order is likely to match with a passive PRO / Client (Non CP code) order having the same PAN (Permanent Account Number) in the same order book;

Then-the active or passive order (full or partial as the case may be) as per the option set in order entry shall be cancelled by the Exchange with rejection message “Order cancelled by the System – The order could have resulted in Self-trade”.

Thus, in case of Pro / Client orders entered by same/different members are resulting in self-trade due to same PAN or CP code, as the case may be, on the active and passive side, the same shall result in active or passive order getting cancelled as per the option set in the active order.

The mechanism shall be applicable only during matching. During trade modification, members shall have the option to modify the PAN as well. Member shall take due precaution to prevent self-trade while performing trade modification.

Accordingly, please note that the PAN field shall be mandatorily required to be populated in order messages / trade modifications for all “**Pro**” and “**Client**” orders (Non-CP as well as CP clients). In cases where the investor is exempt from PAN, it will be mandatory to provide ‘PAN\_EXEMPT’ in the PAN Field. Members shall be solely responsible for the correctness of PAN provided in order messages.

The above provisions would be effective from April 8, 2019.

The existing mechanism of STP check as per Exchange circular NSE/FAOP/37519 dated April 12, 2018 shall continue to be effective till April 5, 2019.

For and on behalf of  
National Stock Exchange of India Limited

Khushal Shah  
Associate Vice President

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**National Stock Exchange Of India Limited**

Department : CURRENCY DERIVATIVES SEGMENT

Download Ref No: NSE/CD/40134

Date : February 05, 2019

Circular Ref. No: 04/2019

All Members,

## Prevention of Self-Trade

This is further to Exchange circulars NSE/CD/37520 dated April 12, 2018 and NSE/CD/38038 dated June 15, 2018 regarding "Prevention of Self Trade".

Based on SEBI directive, with a view to further strengthen Self-Trade Prevention (STP) mechanism; the applicable provisions are being revised as follows:

1. For PRO / Client (Non CP Code) order: If an active PRO / Client (Non CP Code) order is likely to match with any passive order (PRO / Non CP Code Client / CP Code Client) having the same PAN (Permanent Account Number) in the same order book; then the active or passive order (full or partial as the case may be) as per the option set in order entry shall be cancelled by the Exchange with rejection message "Order cancelled by the System – The order could have resulted in Self-trade".
2. For Custodial Participant (CP Code) order:
  - a) If an active CP code order is likely to match with a passive CP code order having the same CP code in the same order book; Or
  - b) If an active CP code order is likely to match with a passive PRO / Client (Non CP code) order having the same PAN (Permanent Account Number) in the same order book;

Then-the active or passive order (full or partial as the case may be) as per the option set in order entry shall be cancelled by the Exchange with rejection message "Order cancelled by the System – The order could have resulted in Self-trade".

Thus, in case of Pro / Client orders entered by same/different members are resulting in self-trade due to same PAN or CP code, as the case may be, on the active and passive side, the same shall result in active or passive order getting cancelled as per the option set in the active order.

The mechanism shall be applicable only during matching. During trade modification, members shall have the option to modify the PAN as well. Member shall take due precaution to prevent self-trade while performing trade modification.

Accordingly, please note that the PAN field shall be mandatorily required to be populated in order messages / trade modifications for all "Pro" and "Client" orders (Non-CP as well as CP clients). In cases where the investor is exempt from PAN, it will be mandatory to provide 'PAN\_EXEMPT' in the PAN Field. Members shall be solely responsible for the correctness of PAN provided in order messages.

The above provisions would be effective from March 11, 2019.

The existing mechanism of STP check as per Exchange circular NSE/CD/37520 dated April 12, 2018 shall continue to be effective till March 8, 2019.

For and on behalf of  
National Stock Exchange of India Limited

Khushal Shah  
Associate Vice President

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**National Stock Exchange Of India Limited**

Department : CAPITAL MARKET SEGMENT

Download Ref No: NSE/CMTR/40132

Date : February 05, 2019

Circular Ref. No: 12/2019

All Members,

## Prevention of Self-Trade

This is further to Exchange circulars NSE/CMTR/37518 dated April 12, 2018 and NSE/CMTR/38036 dated June 15, 2018 regarding "Prevention of Self Trade".

Based on SEBI directive, with a view to further strengthen Self-Trade Prevention (STP) mechanism; the applicable provisions are being revised as follows:

1. For PRO / Client (Non CP Code) order: If an active PRO / Client (Non CP Code) order is likely to match with any passive order (PRO / Non CP Code Client / CP Code Client) having the same PAN (Permanent Account Number) in the same order book; then the active or passive order (full or partial as the case may be) as per the option set in order entry shall be cancelled by the Exchange with rejection message "Order cancelled by the System – The order could have resulted in Self-trade".
2. For Custodial Participant (CP Code) order:
  - a) If an active CP code order is likely to match with a passive CP code order having the same CP code (excluding CP code "INST") in the same order book; Or
  - b) If an active CP code order is likely to match with a passive PRO / Client (Non CP code) order having the same PAN (Permanent Account Number) in the same order book;

Then the active or passive order (full or partial as the case may be) as per the option set in order entry shall be cancelled by the Exchange with rejection message "Order cancelled by the System – The order could have resulted in Self-trade".

Thus, in case of a Pro / Client order entered by same/different members are resulting in self-trade due to same PAN or CP code, as the case may be, on the active and passive side, the same shall result in active or passive order getting cancelled as per the option set in the active order.

STP mechanism shall be applicable to pre-open, special pre-open, continuous normal market, block deal, call auction and closing session.

- a) In continuous normal market, block deal, and closing session, the mechanism shall be applicable during matching
- b) In pre-open, special pre-open and call auction session the mechanism shall be applicable during order entry period where on encountering a potential self-trade, the active order shall be cancelled by default irrespective of option set in the active order.

Member shall take due precaution to prevent self-trade while performing client code modification as per the methodology intimated by NSE Clearing Limited.

Accordingly, please note that the PAN field shall be mandatorily required to be populated in order messages for all **“Pro”** and **“Client”** orders (Non-CP as well as CP clients). In cases where the investor is exempt from PAN, it will be mandatory to provide ‘PAN\_EXEMPT’ in the PAN Field. Members shall be solely responsible for the correctness of PAN provided in order messages.

The above provisions would be effective from April 8, 2019.

The existing mechanism of STP check as per Exchange circular NSE/CMTR/37518 dated April 12, 2018 shall continue to be effective till April 5, 2019.

For and on behalf of  
National Stock Exchange of India Limited

Khushal Shah  
Associate Vice President

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