

**FINANCE & ACCOUNTS DEPARTMENT**

**To the Trading Members in the F & O Segment**

Circular No: NSE/F&A/13029

Date: September 7, 2009

Dear Members,

**Sub: (1) Reduction in Transaction charges payable in respect of the Futures segment**  
**(2) Levy of charges to deter system abuse in the F & O Segment**

(1) Trading members are aware that, the Exchange has been periodically revising its transaction charges downwards. This has helped the investors by reducing the overall cost of trading and has also helped in wider participation of investors in the capital market.

Presently, the Exchange levies transaction charges @ Rs 2/- per lakh (0.002%) of the traded value on each side.

In continuation of the above the Exchange has decided to further reduce the transaction charges for trades done in the Futures segment from its present level to a slab based structure as given below -

<b>Total Traded Value in a month</b>	<b>Revised Transaction Charges (Rs. per lakh of Traded Value)</b>
Up to First Rs. 2500 crores	Rs. 1.90 each side
More than Rs. 2500 crores up to Rs. 7500 crores (on incremental volume)	Rs. 1.85 each side
More than Rs. 7500 crores up to Rs. 15000 crores (on incremental volume)	Rs. 1.80 each side
Exceeding Rs.15000 crores (on incremental volume)	Rs. 1.75 each side

It is further notified that the above slab based structure will be applicable to all trades done in the Futures Segment with effect from 1st October 2009.

Trading members are advised to pass on the benefit of the above reduction in the transaction charges to their constituents.

(2) Of late, it is observed that the Order to Trade ratio in the F&O segment has been increasing significantly. Based on the analysis of the same, it has been observed that some trading members have been placing very large number of unproductive orders which rarely result into trades in the F&O segment which leads to increase in latency in order placement and execution for the other members. Such members are observed to have very large order to trade ratio which is significantly higher than the market average.

In order to prevent such system abuse and to ensure fair usage of the system by all the members, it has been decided to levy a charge to deter system abuse in the F&O segment with effect from 1<sup>st</sup> October, 2009 as per the slabs below.

<b>Daily Order-Trade Ratio (Member wise)</b>	<b>Charges (per Order)</b>
More than 100 up to 250	1 paisa
More than 250 up to 500 (on incremental basis)	2 paise
More than 500 up to 1000 (on incremental basis)	3 paise
More than 1000 (on incremental basis)	4 paise

In case of any clarifications, kindly contact Mr. Shekhar Rao / Mr. V. Neelkanthan on telephone number 022-2659 81 42

**For National Stock Exchange of India Limited**

**Yatrik Vin  
Sr. Vice President (Finance & Accounts)**