

National Stock Exchange Of India Limited**Department : DEBT TRADE**

Download Ref No : NSE/DS/39645

Date : December 13, 2018

Circular Ref. No : 25 / 2018

All Members,

Prevention of Self -Trade

Based on SEBI directive, with a view to further strengthen Self-Trade Prevention mechanism (STP), the applicable provisions are being revised. Members are requested to kindly take note of the following:

- For Client order (CLI):
 - For Non-Custodial Participant (CP) order: If an active Client (Non CP code) order is likely to match with a passive 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”.
 - For Custodial Participant (CP) order: If an active participant (CP code) order is likely to match with a passive participant (CP code) order having the same CP code 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 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

- For Pro order (PRO):
 - If an active Pro order is likely to match with a passive Pro order belonging to the same member-proprietary combination in the same order book, then 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”

- In view of the above:
 - In case of client (Non CP code) order it shall be mandatory to provide PAN at the time of order entry. In cases where the investor is exempt from PAN, it will be mandatory to provide 'PAN_EXEMPT' in the PAN Field. The same shall not be mandatory in the Auction market.
 - In case of proprietary (PRO) order and client order with CP Code, providing PAN shall be optional.
 - Members shall be solely responsible for the correctness of PAN provided in orders
 - Member shall take due precaution to prevent self-trade while performing client code modification.

The above provisions would be effective from December 17, 2018.

For and on behalf of
National Stock Exchange of India Ltd

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