

LEIPS-Stock Futures

(Effective from October 16, 2015)

SEBI issued Circular no.CIR/MRD/DP/14/2014 dated April 23, 2014 regarding revised guidelines for Liquidity Enhancement Scheme in the Equity Cash & Equity Derivatives Segment. On this background the Exchange launched **LEIPS on Single Stock Futures contracts on the 30 underlying stocks which are part of S&P BSE SENSEX** with the goal of creating lasting, self-sustaining liquidity in BSE's Equity Derivatives Segment.

The programme offered following types of incentives –

1. Quote based incentives for MMs
2. Trading Volume based cash incentive on passive trades to MMs and GMPs
3. OI based incentive to MMs and GMPs
4. Lower transaction charges

The Exchange monitors performance of the programme including presence of MMs and their compliance with the quote obligations through a mix of online and offline monitoring tools. The Exchange also publishes information on the programme from time to time.

With effect from October 16, 2015 ,the Exchange proposes following key amendments in terms and conditions of **LEIPS-Stock Futures** Programme-

- ◆ Discontinuation of Daily Quote based incentives.
- ◆ Discontinuation of Roll over quoting incentive.
- ◆ Discontinuation of spread size specification for quote based incentives
- ◆ Discontinuation of Daily incentive volume cap.
- ◆ Discontinuation of trading volume based cash incentive.
- ◆ Revision in OI based incentive.
- ◆ Revision in eligible underlying stocks.

Active trading members of Equity Derivative segment of the Exchange can follow a simple process to register themselves for this programme as a General Market Participant (GMP).

The programme shall remain in force as per tenure mentioned in SEBI Circular no.CIR/MRD/DP/14/2014 dated April 23, 2014.

For any further clarifications, please contact your designated Relationship Managers.

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The programme **focuses on Single Stock Futures contracts on 30 underlying stocks which are part of S&P BSE SENSEX.** The programme incentivizes MMs by payment of cash for their participation in the programme as per prescribed terms and conditions.

		Market Makers	General Market Participants
Clause 1 – Incentives	Open Interest[†] Cash Incentive	Based on total daily OI of ^30 Stock futures across all LEIPS Members ,Payout structure - <ul style="list-style-type: none"> • Till above mentioned total OI is less than or equal to Rs. 250 Cr on any given trading day , Rs. 100 per Cr. of member OI • If above mentioned total OI exceeds Rs. 250 Cr on any given trading day, then for that day , incentive shall be paid from pool of Rs. 25,000 per day. 	
	Retail Incentive	Retail incentive program only on trading as per Exchange notice no— 20140828-37, 20150522-33 and 20151001-14	
Transaction Fees*	Passive (Rs/Cr)	0	Active (Rs/Cr)
			50

[†] OI Incentives are payable for current month and near month incentive eligible contracts.

* Active / passive—In any trade, the order with the earlier time stamp is passive and the order with the later time stamp is active

Open Interest— Futures contracts that are not closed or delivered at the end of a particular day, except current month futures contracts on their day of expiry.

^ List of 30 stock futures is provided in Annexure 1.

LEIPS Stock Futures—Terms and Conditions

		General Market Participants
Clause 3	Eligibility	Members have to register with the exchange to be eligible for the incentives
Clause 4	Penalty— Monitoring Obligations	Exchange reserves the right to render any member ineligible for further participation in the programme if the member engages in activities that are detrimental to the development of the markets
Clause 6	Payment	<ul style="list-style-type: none"> • All cash payouts will be paid after TDS deductions. TDS certificate will be issued on quarterly basis. • Service Tax related to incentive payouts will be paid to the members upon submission of invoice.
Clause 7	Eligible Securities / Underlying	Single Stock Futures contracts on 30 underlying stocks which are part of S&P BSE SENSEX as per Annexure 1.
Clause 8	Time Lines	<ol style="list-style-type: none"> 1. Scheme Launch—May 30, 2014 2. The scheme shall run as per tenure mentioned in SEBI Circular no.CIR/MRD/DP/14/2014 dated April 23, 2014.

Annexure 1— List of Underlying stocks eligible for LEIPS on Stock Futures.

Sr No.	Scrip Name
1	Axis Bank Ltd
2	Bajaj Auto Ltd
3	Bharat Heavy Electricals Ltd
4	Bharti Airtel Ltd
5	Cipla Ltd
6	Coal India Ltd
7	Dr Reddy's Laboratories Ltd
8	Gail India Ltd
9	HDFC Bank Ltd
10	Hero MotoCorp Ltd
11	Hindalco Industries Ltd
12	Hindustan Unilever Ltd
13	Housing Development Finance Corp
14	ICICI Bank Ltd
15	ITC Ltd
16	Infosys Ltd
17	Larsen & Toubro Ltd
18	Lupin Ltd
19	Mahindra & Mahindra Ltd
20	Maruti Suzuki India Ltd
21	NTPC Ltd
22	Oil & Natural Gas Corp Ltd
23	Reliance Industries Ltd
24	State Bank of India
25	Sun Pharmaceutical Industries Ltd
26	Tata Consultancy Services Ltd
27	Tata Motors Ltd
28	Tata Steel Ltd
29	Vedanta Ltd
30	Wipro Ltd

Registration Form for General Market Participant (GMP)

Please print the form on next page on the official stationary (letter head) of the member and
Submit it to your relationship manager.

To,
Business Development,
BSE Ltd,
P.J Towers, Dalal Street,
Mumbai 400001, India
Fax: (022) 2272 3001

Registration as General Market Participant (GMP)

1. We _____ (name of the member / Clearing Number) would like to register in LEIPS STOCK Futures programme as a General Market Participant.
2. We have read and understood the details of the LEIPS programme.
3. We are aware that we have to follow a separate registration process if we are interested to participate in LEIPS STOCK Futures programme as a Market Maker.
4. We are aware that BSE reserves the right to render any member ineligible for further participation in the programme if the member engages in activities that are detrimental to the development of the market.
5. We understand that BSE has the right to terminate or amend the programme or expand one or more of the conditions laid down in their circular at its discretion in accordance with SEBI circular CIR/DNPD/5/2011.
6. Listed below are our service providers:

Front Office Vendor: _____

Back Office Vendor: _____

7. Listed below are the contact details of designated person from our organization for all derivatives related transactions:

Name: _____

Designation: _____

Mobile: _____

Phone: _____

Email: _____

Name Position (of Designated Person)

(Signature / Stamp of the company)

Place, Date

Phone / Fax/ Email Id