# Commodity Derivatives Segment Master Circular

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**For and on behalf of BSE Ltd.**

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## PART I: List of important circulars issued

| Sr. No. | Notice No. | Subject |
|---|---|---|
| 1 | 20180115-18 | Availability of Trading System APIs for BSE Commodity Derivatives segment |
| 2 | 20180119-22 | Availability of Exchange EOD File Formats for Commodity Derivatives segment |
| 3 | 20180125-7 | Mock Trading in Test Environment for Commodity Derivatives Segment |
| 4 | 20180907-43 | Trading system APIs for Commodity Derivatives segment – Update |
| 5 | 20180911-12 | Batch upload file format for UCC |
| 6 | 20180816-35 | EOD File Formats for Commodity Derivatives segment |
| 7 | 20180925-4 | Compliance requirements with respect to commodity derivatives segment. |
| 8 | 20180926-10 | UCC registration in Commodity segment |

# PART II: Master Circular

## 1.    Trading Parameters

### 1.1  Order types & Order attributes

Types of orders:
- Market order
- Stop loss order
- Limit order

Applicable Retention type for the above orders:
- End of day
- End of session
- Immediate or cancel (IOC)

In addition to above, following order attributes are specified at the time of order entry:

- Product Type (Future, Call, Put)
- Asset
- Expiry
- Strike
- Instrument Name
- Scrip code/Token Number
- Buy/Sell indicator
- Total Lot
- Revealed Lot
- Rate
- Market Protection (in %)
- Client Id
- Client type
- Order Type
- Retention Type

**OCO and BOC order types**

One-Cancels-the-Other (OCO) order is a type of order that combines the behaviour of a regular limit order with a stop loss market order. OCO is a single order (one order ID is generated) with two prices viz 'Limit Price' and 'Trigger' price.

BOC order is a limit order where the 'Book or Cancel' condition is applicable on order entry. It ensures that the incoming order is written to the order book as a passive order.

Exchange has prepared a detailed FAQ document on One Cancel the Other (OCO) and Book or Cancel (BOC) order entry facility, for the benefit of trading members, thereby providing detailed

understanding of the functionality with the help of examples, highlighting different aspects for equity. These order types will be available in Commodity Derivatives segment.

For FAQ refer to Exchange circular number 20160623-43

## 1.2 Order Entry Facilities

### 1.2.1 Multi-legged order entry

A multi-legged order entry facility is a new type of order entry which enables a trader to place a combination order comprising of more than one order across different futures & options contracts.

A multi-legged order can contain a minimum of 2 order legs and maximum of 4 order legs. In the multi-legged order entry facility, matching of all order legs in a multi-legged order is linked with each other. Order matching shall be done, either fully or partially only if matching is possible for all order legs at that time, else the entire multi-legged order shall be rejected. On account of the linked execution of all the order legs, this facility can be used by traders to execute trades across different futures & options contracts, up to 4 order legs, at the same time.

*For FAQ refer to Exchange circular number 20160114-38*

### 1.2.2 Calendar Spread Functionality

The Exchange had introduced trading on Futures Calendar Spread functionality in Commodity Derivatives segment as per trading convention prevalent in International markets (Buy Near/Sell Far).
1. A Buy spread means, Sell in Near Month leg and Buy in Far Month leg.

2. A Sell spread order means, Buy in Near Month leg and Sell in Far Month leg.

Spread contracts are available on all combinations of monthly future contracts. Members can place orders in a calendar spread contract only till the time the constituent near month leg of such spread contract is available for trading and has not expired.

### 1.2.3   Facility to provide Participant Code (CP code) in order message

Facility has been provided to trading members to enter the participant code (CP code) at the time of entering orders for clients whose trades are to be settled by their clearing member and not by the Clearing members who are mapped with their respective trading members. This facility shall be enabled in BOLT Plus trading system.

**Highlights of this facility:**

A.   Facility to provide CP code in order message
 * Trading member can provide CP code along with client code at the time of order entry.
 * For this, a file consisting of participant codes shall be made available on daily basis, which has to be used in BOLT TWS or other front-end trading application. Once order with CP code

is traded, it shall be automatically given up to client's clearing member for confirmation in RTRMS system.

B.    Trade take-up confirmation (Approved / Rejected) status on front-end trading application
- New trade take-up confirmation message has been introduced in IML & ETI API.
- Trading members shall be able to view status on front-end trading application whether the trade confirmation has been approved or rejected by the client's clearing member.

## 1.3 Risk Reduction Mode (RRM) Functionality

The RRM functionality shall be as per SEBI master circular for commodity derivatives segment dated September 07, 2018. Exchanges shall put the trading members/clearing members in risk-reduction mode when 90% of the member's Liquid Assets available for adjustment against margins/deposits gets utilized for margins/deposits.

Salient features of this functionality are -
- All unexecuted orders shall be cancelled & returned to the member when in RRM mode.
- Once in RRM, only IOC order which will reduce open position (square-up orders) are allowed to get back within the permissible limit.
- Trading Members are allowed to reduce open positions by generating 1 order for each client wise open position in a security/contract.
- Fresh orders which will create new open position shall not be accepted.

## 1.4 Trade Modification

Trade modification / modification of client code shall be as per guidelines mentioned in SEBI master circular for commodities segment dated September 07, 2018. While executing the trade for the said client, the broker enters the unique client code allotted to the client. However, there are instances wherein the wrong code is entered by the broker while executing the trade. As per the SEBI circular master circular for commodity derivatives segment dated September 07, 2018 the brokers may modify the client codes of non-institutional trades only to rectify a genuine error in entry of client code at the time of placing / modifying the related order.

For changes in client code of non-institutional clients, the trading member is required to state the reasons, which should be within the following objective criteria:

a.  Error due to communication and/or punching or typing such that the original client code/name and the modified client code/name are similar to each other.
b.  Modification within relatives (Relative for this purpose would mean 'Relative' as defined under sec. 6 the Companies Act, 1956).

Subsequent to the client code modifications, as per the SEBI master circular for commodities derivatives dated September 07,2018 all cases of modification of client codes of non-institutional trades other than modified to the 'ERROR' account executed on the Exchange is liable for a penalty of 1% of value of non-institutional trades modified if value of non-institutional trades modified as a

percentage of total value of non-institutional trades executed is less than or equal to 5% and penalty of 2% if modification exceeds 5%, in a segment during a month.

Further, as per the SEBI master circular for commodities derivatives dated September 07,2018 the penalty for a client code modification is waived based on the request from the stock brokers stating their modification to be genuine. Further, not more than one such waiver per quarter is given to a stock broker for modification in a client code i.e. If penalty waiver has been given with regard to a genuine client code modification from client code AB to client code BA, no more penalty waivers are allowed to the stock broker in the quarter for modifications related to client codes AB and BA.

Trade modification functionality is available in Exchange web based system called as RTRMS (Real-Time Risk Management) system.

## 1.5 Transaction Charges

Transaction charges on commodity derivatives segment shall be waived off till September 30, 2019.

## 1.6 Spot price polling mechanism

Transparent discovery of spot prices is a critical factor in smooth running of futures market as the same are used as reference prices for trading and settlement of contracts traded on Exchange platform.

Exchange will conduct polling to arrive at the prevailing spot prices using such processes / agencies as may be decided by the Exchange from time to time.

## 1.7 Close price calculation for commodity derivatives contracts

- VWAP (Volume Weighted Average Price) of all trades done during the last 30 minutes of the trading day, subject to minimum 10 trades.
- If the number of trades during last 30 minutes is less than 10, then it is based on the VWAP of the last 10 trades executed during the day.
- If number trades done during the day is less than 10 or no trades have been executed in a contract on a particular trading day, then the close price will be computed theoretically.

## 2. Trading Hours and Trading Holidays

### 2.1 Trading Hours:

| Session | Start Time | End Time (after start of US daylight savings in spring season) | End Time (after end of US daylight savings in Fall Season typically between November to March of following year) |
|---|---|---|---|
| Continuous Trading for Commodity Derivatives | 10:00 am | 11:30 pm | 11.55 pm |
| Trade Modification End Timings | 10:00 am | 11.45 pm | 00:10 am |

Log in session for the trading environment shall be available from 7:50 am onwards on trading days.

### 2.2 Trading Holidays:

Trading Members are hereby informed that the Exchange shall observe following Trading Holidays during the Calendar Year 2018 for the Commodity Derivatives Segment.

| Festival Name | Date | Day | Morning session (10:00 am to 5:00 pm) | Evening session (5:00 pm to 11:30/11:55 pm) |
|---|---|---|---|---|
| Gandhi Jayanti | 02 October 2018 | Tuesday | Remains closed | Remains closed |
| Dussehra | 18 October 2018 | Thursday | Remains closed | Open |
| *Diwali (Lakshmi Pooja) | 07 November 2018 | Wednesday | Remains closed | Open |
| Diwali (Balipratipada) | 08 November 2018 | Thursday | Remains closed | Open |
| Guru Nanak Jayanti | 23 November 2018 | Friday | Remains closed | Open |
| Christmas | 25 December 2018 | Tuesday | Remains closed | Remains closed |

*Muhurat Trading shall be held on Wednesday, November 07, 2018 (Diwali – Laxmi Pujan). Timings of Muhurat Trading shall be notified subsequently.

The Exchange may alter / change any of the above holidays, for which a separate circular shall be issued in advance.

## 2.3 Mock Trading Schedule:

Mock trading sessions are conducted by the Exchange from time to time for periodical testing of trading infrastructure and its recovery and response mechanisms. Large scale participation of members is quintessential for the success of such sessions.

In order to enable members to chart out their own testing schedule in line with these mock trading sessions, the Exchange is publishing an indicative schedule of mock trading sessions for the year 2018, as given below. Detailed instructions for each session shall be published through separate notice subsequently.

| Sr. No | Dates of Mock Trading Sessions |
|--------|-------------------------------|
| 1 | October 06,2018 |
| 2 | November 03,2018 |
| 3 | December 01,2018 |

## 2.4 Market close for trading:

If 40 % of the normally active trading terminals are not able to trade due to loss of access to / non-availability of the trading system of the Commodity Derivatives Segment, then Exchange may close Commodity Derivatives Segment after carrying out preliminary study/assessment of the problem.

# 3. Compliance

## 3.1 Proprietary Trading:

**Salient Features:**

a. Facility of placing orders on own account through trading terminals is extended only at one location of the members as specified / required by the members

b. Trading terminals located at places other than the above location shall have a facility to place orders only for and on behalf of a client by entering client code details as required / specified by the Exchange / SEBI.

c. In case any member requires the facility of using own account through trading terminals from more than one location, such member shall be required to submit an undertaking to the stock exchange stating the reason for using the own account at multiple locations and the Exchange may, on case to case basis after due diligence, consider extending the facility of allowing use of own account from more than one location.

**Process of application for Proprietary Trading**

Exchange has provided facility on BSE Electronic Filing System (BEFS) portal to handle proprietary account trading applications electronically. The process has been listed as follows:

1. The member sends a request for grant of permission of proprietary trading on a particular terminal id via letter on BEFS portal.

2. The address of the terminal id is to be verified whether the same is updated on IDB system. In case the address is not updated on IDB system, the member is intimated via BEFS portal to share a copy of the address proof.

3. It is also verified whether the member has fulfilled Base Capital Margin requirements by checking the same in IDB system. The Base Capital Margin Requirements for only proprietary trading is Rs.10 Lakhs, only Client Trading is Rs.10 Lakhs, Proprietary and Client Trading is Rs.10 Lakhs & Proprietary, Client and Algorithm Trading is Rs.50 Lakhs. If there is a shortfall, the member is requested to make the necessary payments.

4. In case the requested trading terminal is the default terminal of the said member, the approval is sent via mail which is auto-generated via BEFS portal. However, if the requested trading terminal is an additional location, then an approval letter is sent via Extranet.

5. The details of pro terminal ids are then updated in IDB system.

## 6. Pro Enablement Request through BEFS Application.

## 7. Pro Disablement Request through BEFS Application

**Format for Pro Trading from Default location**

<u>Pro Account Format to be submitted on member's letterhead</u>
<u>(To be submitted to MEMBERSHIP DEPT.)</u>

Date:

To,
Membership Operations
BSE Limited
Mumbai

Kind Attn: Deputy General Manager

**Sub: Pro-account Trading Terminal**

Dear Sir,

I/ we refer to the Exchange Notice **20070516-4 dated Wednesday, May 16, 2007 on** the captioned subject.

In this connection, the details of the trading terminals from where I / we are placing orders on 'Own Account' are as under:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|-----|-----|-----|-----|-----|-----|-----|
| Sr. No | BSE Terminal No./ BSE IML ID No. | Segment | User Name with Designation | Postal Address | Name of the Director(s)/ Partners(s) supervising stationed at the location with their designation or the name of the Director/Partner who is identified and authorized to supervise at additional location where Directors/Partners may not be based. | Default location Yes or No & Address of Default location |
| | | | | | | |

I/ we hereby undertake that I/ we will not place any order on 'Own Account' through any other terminals and location mentioned above without the prior approval of the Stock Exchange, Mumbai.

Thanking you,

Yours faithfully,

Signature

(Director/ Authorized Signatory)

**Format for Pro Trading from Additional location**

To,
The Trading Operations Dept
BSE Ltd
P.J.Towers, 14th floor,
Dalal Street,
Fort, Mumbai 400 001.

I/we, a Trading Member of BSE Ltd wish to avail of the facility of placing orders on "Pro-account" through trading terminals from more than one location.

In this regards, I/we are furnishing the following details :-

Name of Trading Member along with SEBI registration no:-

Default location where Pro-account is being availed:-

| Sr.No. | User ID | Segment | User Name (employee or not) | Postal Address | Leased Line Id No | | Details of investor Grievances (if any) |
|---|---|---|---|---|---|---|---|
| | | | | | Primary | Back Up | |

Details of additional location(s) in respect of which facility of using Pro-account sought

| Sr. No. | User Id | Segment | User Name (employee or not) | Postal Add-ress | Leased Line Id No. | | Name of the Director(s)/ Partners(s) supervising stationed at the location with their designation or the name of the Director/Partner who is identified and authorized to supervise at additional location where Directors/Partners may not be based. | Reason | Details of Investor Grievances (if any) |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Primary | Back Up | | | |

Details of any adverse remarks and/or fines imposed by BSE Ltd pertaining to any inspection (if any):-

Yours faithfully,
(Name of the Trading Member)*
*If the Trading Member is an individual, then the application has to be signed by the Member himself. In case of a Corporate Member the application is to be signed by the Designated Director or any Director of the company named as an authorized signatory of the company accompanied by a Board Resolution.*

**Format for Undertaking for availing Pro Trading from Additional location**

**UNDERTAKING FOR AVAILING PROPRIETARY ACCOUNT ORDER ENTRY FACILITY**

I/We, _____, an individual/ Company / Partnership Firm / LLP having our registered office at _____ give this Undertaking on _____ day of _____ 2006 at _____ in favour of BSE Limited 25th floor, Dalal Street, Fort, Mumbai 400 001.

*WHEREAS*
1. BSE Ltd. provides the BOLT Terminals to enable its Members to trade and in addition BSE Ltd also provides Intermediate Message Layer (IML) connecting facility to Trading Members for order entry, receipt of order and trade confirmation and also for receipt of data relating to its trade quotations.
2. BSE Ltd, has prescribed that the facility of placing orders on "Pro-account" through trading terminals shall be availed by the Trading Members only at one location of the members as specified/ required by the Trading Members; any trading terminals located at a place other than the above location shall have a facility to place order only for and on behalf of a Constituent by entering client code details as required by BSE Ltd/ SEBI; and in case any Trading Member requires the facility of using "Pro-account" through trading terminals from more than one location, such Trading Member shall request BSE Ltd stating the reason for using the "Pro-account" at multiple locations.
3. BSE Ltd has a precondition to the Undersigned being permitted the facility of using "Pro-account" through trading terminals from more than one location required me/us to furnish the undertaking in the manner and on the terms herein below:

**NOW THEREFORE IN CONSIDERATION OF BSE LTD** having agreed to allow me/us at my/ our request to avail the Pro-account facility from more than one location, I/we hereby IRREVOCABLY AND UNCONDITIONALLY UNDERTAKE and agree to abide by and be bound by the following terms and conditions:-

1. That I/we undertake to enter proprietary orders only from the Pro-account terminals permitted by BSE Ltd and undertake not to misuse the said "Pro-account" facility and state that the proprietary trades on the Pro-account terminals pertain to proprietary trades and not client trades.

2. That I/we state that either our Director(s)/ Partner(s) is/ are based at and supervise the location where the "Pro-account" trading terminals are located or our Board of Directors/all Partners, have identified and authorized the Director(s)/Partner(s) to supervise the "Pro-account" trading terminals located at additional location where Directors/Partners may not be based. The Pro-account facility shall be made available only after obtaining the prior written consent of BSE Ltd and subject to such terms and conditions as may be prescribed by BSE Ltd from time to time.

3. That I/we undertake to take all such steps and/ or precautions to ensure and keep ensured that the "Pro-account" facility is not extended to a location other than the location of the trading terminals where the "Pro-account" facility is permitted by BSE Ltd and the same shall not be extended beyond the location of such permitted trading terminals.

4. That BSE Ltd, at its absolute discretion, may make the Pro-account facility available to me/ us only from the date of my/ our enablement on the Pro-account facility till such time as it may deem fit and further that the Pro-account facility may at any time be withdrawn by BSE at its discretion without giving me/ us any notice or any reasons whatsoever.

5. That I/we shall execute, sign, and subscribe, to such other documents, papers, agreements, covenants, bonds, and/ or undertakings as may be prescribed or required by BSE Ltd from time to time.

6. That I/we undertake to abide by all the provisions of the Rules, Bye-laws and Regulations Circulars/norms and requirements that may be in force from time to time relating to use and operation of the BOLT Trading System and that they shall also mutates mutandis become applicable to the use and operation of the Pro-account facility.

7. That I/we undertake to render all possible assistance and cooperation to BSE Ltd by providing all information in any form as it may require and shall produce such documents, records, accounts, books data howsoever stored including data stored in magnetic tapes, floppy diskettes, etc. and any other information as may be required by BSE Ltd at its discretion.

**WITNESS WHEREOF** this Undertaking is executed by the undersigned on the day, month, year and the place first mentioned above.

Signed by, for and on behalf of: Before me

**Instructions for undertaking**

1. The Undertaking is to be executed on a non-judicial stamp paper worth Rs. 100/- if executed in State of Maharashtra. If this Undertaking is executed outside the State of Maharashtra, then it must be executed on a non-judicial stamp paper stamped in accordance to the duty as payable in the place of execution or worth Rs. 100/- whichever is higher.

2. Further this Undertaking (including all annexures/schedules) has to be notarized before a Notary Public.

3. All the pages of this Undertaking (including all annexures/ schedules) have to be signed in full. The persons signing should also sign in full at all places in the Undertaking where anything has been hand-written/ any corrections have been made.

4. If the member is an individual, then the Undertaking has to be signed by the individual Member himself.

5. If the Trading Member is a corporate/Partnership Firm /LLP, then the Undertaking has to be signed by the Designated Director or any two directors of the company / designated partner/s named as an authorized signatories; of the company/partnership firm/LLP respectively.

6. If the trading member is a corporate, the undertaking has to be accompanied with a certified copy of the resolution of the board of directors of the company; partnership resolution of the partnership firm/LLP authorizing the person(s) executing the undertaking to do so.

### 3.1.1 Disclosure of Proprietary Trading by Commodity Derivatives Broker to Client

- With a view to increase the transparency in the dealings between the trading member and the client, trading member shall disclose to his client whether he does client based business or proprietary trading as well.

- The trading member shall disclose the aforesaid information to his existing clients within a period of one month from the date SEBI Master Circular on Commodity Derivatives dated September 07, 2018.

- Further, the trading member shall disclose this information upfront to his new clients at the time of entering into the Know Your Client agreement.

- In case of a trading member who at present does not trade on proprietary account, chooses to do so at a later date, he shall be required to disclose this to his clients before carrying out any proprietary trading.

### 3.2 Trading Through Other Trading Member

A stock broker of an exchange cannot deal with broker of the same exchange for proprietary trading, except with the prior permission of the exchange.

SEBI vide their letter SEBI/MIRSD/Cir-06/2004 dated January 13, 2004 has notified the norms relating to trading by stock broker through another broker of the same stock exchange.

To protect the interests of investors in securities and to promote the development of, and to regulate the securities market, stock exchanges have been advised to ensure the following:-

- A stock broker of an exchange cannot deal with another broker of the same exchange for proprietary trading, except with the prior permission of the exchange. The stock exchanges while giving such permission, shall consider the reasons stated by the stock broker for dealing with another broker of the same exchange and after carrying out due diligence allow such broker to deal with only one stock broker of the same exchange.

- A stock broker of an exchange can deal with only one broker of another exchange for proprietary trading after intimating the name of such stock broker to his parent stock exchange.

## 3.3 Debarred Client

SEBI / SAT issues various Orders from time to time for debarment of entities from trading on the Exchange's trading platform. The trading members of the Exchange are advised to carry out necessary due diligence with respect to compliance of directions issued in such Orders at all times.

Further, in order to facilitate effective compliance of the various SEBI orders for debarred entities by the trading members of the Exchange, the Exchange has implemented initiatives wherein the orders entered for those debarred entities (wherever PAN available) as updated on the Exchange Website ( refer to link : https://www.bseindia.com/investors/debent.aspx?expandable=5) shall be rejected as an invalid order in the Trading System itself and in response, a message "Error Code : 210, Error Text : Client is debarred for member" is displayed to the trading member.

## 3.4 Self-Trade Prevention Check (STPC) Functionality

The Self-trade prevention check (STPC) functionality is being introduced with the purpose of preventing matching between a buy and a sell order entered in the same order book by a member for the same client code originating from same or different trading terminals of the member.

The Exchange has introduced self-trade prevention check based on Permanent Account Number (PAN) of clients. Using the PAN details available in the Exchange records, the aforesaid check help prevent matching between a buy and a sell order of a client placed by different members in the same order book. All other characteristics of the STPC mechanism continue to be applicable. Currently the STPC check is available in other derivative segments like currency and equity the same will be also available in commodity derivatives, below is the reference for FAQs on STPC in other derivatives.

If an incoming order is likely to match with a passive order belonging to the same member and client code combination in the same order book, the system shall cancel such incoming order thus preventing a self-trade.

For FAQ refer to Exchange notice no. 20150127-30

## 3.5 Price Reasonability Check (PRC) Functionality

Price reasonability check is developed is on the lines of globally prevalent risk management measures and shall primarily reduce potential instances of market abuse and fat-finger errors and facilitate true price discovery and investor protection.

In PRC functionality, each new (incoming) limit order price shall be validated with the Exchange defined Price Reasonability Range (PRR). PRR shall be dynamically computed and applied by the trading system using a real-time reference price. This shall ensure that the price of an incoming limit order is not too far off from the prevailing market prices.

**Salient Features of Price Reasonability Check (PRC) functionality:**

- It is applicable to incoming limit orders.
- Price of incoming limit orders is checked with respect to PRR prevailing at that point of time.
- PRR is dynamically computed using a real-time reference price. The Reference price shall be based on Best Bid/Offer prices on each contract/security.
- Incoming orders outside of the PRR at that particular time shall be rejected.
- If best bid/offer price is not available or if the spread between best bid & best offer price is too wide, then the system shall compute PRR using LTP or previous close price as the reference price, as applicable.
- Trading system automatically switches, in real-time, between using the best bid/offer price and LTP (or previous close price) as the reference price to compute PRR, depending upon the order book situation.

The existing risk management feature of price bands shall continue. PRR shall be within the applicable price bands defined for each contract.

The PRC functionality shall be applicable for all Futures contracts of Commodity Derivatives.

In case of Commodity Futures the Price Reasonability Range (PRR) range has been set by the Exchange as 50% of the applicable Daily Price Band (DPR).

For FAQ refer to Exchange notice no. 2016113-1

## 3.6 Reversal Trade Prevention Check (RTPC) functionality

Prevention of Reversal Trades check is introduced with an intention to prevent potential cases of trade reversal taking place on the Exchange trading platform. In this measure, the second leg (latest leg) of a reversal trade shall be automatically cancelled by the Exchange at the time of order matching in an on-line real time manner in the trading system. RTPC is applicable on both the Client code level and also as the PAN level. This check is currently applicable on Trades and subsequent orders available on the same day. RTPC shall be applicable on all contracts/expiries of Commodity Futures in the Commodity Derivatives Segment.

For FAQ refer to Exchange notice no. 20160310-40

## 3.7 Member Transactional alerts related to Commodity Derivatives Segment.

I.      In order to facilitate effective surveillance mechanisms at the Member level, the Exchange has derived following transactional alerts that would be downloaded to the trading members. This will facilitate the trading members to effectively monitor the trading activity of their clients.

II.     The trading members are hereby informed that the below alerts are indicative in nature and the trading members can derive their own alerts in addition to the said transactional alerts as per their surveillance policy.

| Sr. No. | Transactional Alerts | Periodicity |
|---------|---------------------|-------------|
| 1 | Significantly increase in client activity | Daily |
| 2 | Sudden trading activity in dormant account | Daily |
| 3 | Concentrated position in the Open Interest | Daily |
| 4 | High Turnover concentration | Daily |

III.     Trading Members are requested to take note of the above and ensure compliance.

IV.     Trading Members are requested to refer to Exchange notice no. 20130307-21 dated March 07, 2013 and shall carry out analysis of indicative transactions alerts downloaded through e-BOSS as per the said notice.

## 3.8 Position limits for Commodity Derivatives, clubbing of open positions, penalties for violation of position limits

SEBI vide its circular no. SEBI/HO/CDMRD/DMP/CIR/P/2016/96 dated September 27, 2016 has prescribed Position Limits for Commodity Derivatives, clubbing of open positions & penalties for violation of position limits.

**Clubbing of Open Positions**

While calculating open positions for the purpose of position limits, Exchanges shall take suitable measures for clubbing of open positions of clients/members who may be acting in concert to circumvent the norms of position limits. The broad guidelines for clubbing of open positions are provided as under:

**Guidelines for Clubbing of Open Positions:**

1. When a person is a partner in one or more partnership firms and /or is a director in one or more companies and/or is a manager (karta) of a Hindu Undivided Family (HUF), the total open position of

    a.     the person as an individual operator,
    b.     the firm or firms in which he is a partner ;
    c.     the Company or companies in which he is a director ; and
    d.     the HUF of which he is a manager(karta) taken together shall not exceed the prescribed limit.

2. Where two or more persons are partners in a partnership firm or firms and where two or more persons are director in a company or companies and where two or more persons are Kartas of HUFs, the total open position held by

    a.     all the partners of partnership firm or firms;

b.   the concerned partnership firm or firms;

c.   all the directors of the company or companies ;

d.   the concerned company or companies ;

e.   all the Kartas of the HUFs ; and

f.   the concerned HUFs

taken together shall not exceed the limit as mentioned above.

3. Where a person or persons operating as individuals and /or being partners in one or more partnership firms and/or being directors in one or more companies and/or being kartas of HUFs are also trustees in one or more trusts, the total open position of

a.   the person as individual operator,

b.   the firm or firms in which they are partners;

c.   the company or companies in which they are directors;

d.   the HUFs in which they are Kartas; and

e.   the trust or trusts in which they are trustees, taken together shall not exceed the limit as mentioned above.

Provided that, if at any time more deliveries than one are running in the same commodity, the above limit shall apply to the combined open position of the member or the non-member, as the case may be, in all such deliveries running concurrently.

4. Open position of a member shall be the total of the open position acquired by him by trading through or with other member and by appropriating the business of his clients(collectively for all clients).

5. The open position of a non-member shall be the total of the open position acquired by him trading through or with one or more members.

**Exemptions from Clubbing:**

1. In the agriculture marketing set up of the rural India, co-operative societies play a crucial role. Primary Agriculture Marketing Societies registered under the state cooperative Acts, thus, are active in different agricultural commodities. These societies are also member of Federations at the State and National level. Due to this Federal structure there may be some instances when these societies have common Directors. Also, the persons from State Governments/RCS may be nominated as Directors in these societies. In view of this, the position of different societies if they are members of a Federation will not be clubbed with the open interest position of the Federation for the purpose of determining the open interest position of the Federal or vice versa. Similarly, if Govt/RCS nominated directors sits on the Boards of different societies, this will not amount to common interest for the purpose of clubbing of positions.

2. As a practice of good corporate governance, the companies now have independent directors on their Board with no financial interest in the company. Similarly, companies also have Govt/Financial

Institutions nominated Directors without any financial interest in the company. In such cases, when the Directors don't have any financial interest in the company. The Commission has taken a view that the position of such companies/corporates may not be clubbed just because they have common directors.

The above stated guidelines are indicative only. The Exchanges are directed to take suitable measures for clubbing of open positions on the basis of the criteria laid down above and also include other criteria such as PAN, patterns such as 'acting in concert' through common ownership and control structures and any other relevant criteria to club open positions that may be observed during the course of regular monitoring and surveillance that may appear to compromise market integrity.

**Monitoring of position limits**

Exchanges shall monitor the open position on a real time basis, and shall endeavour that no client or member breaches the open position limits 'at end of the day' as well as 'during intra-day trading'. Penalty shall be levied on those breaching the position limits at end of the day as well as during intra-day trading as given below:

**Position Limit Violation**

The following penal provisions are made to discourage/ prevent open interest violations at Commodity level / near month contract level-

1. Monetary penalty on the concerned member for violations in the open interest (either on own account or on account of clients) are linked to the quantum/ value of violation committed and to be charged from the concerned member for each such violation as under:

a. Where the violation is more than 2% of the prescribed limit(s) – Limit exceeded x Closing price x number of days such violation continued x 2% (0.02) or Rs. 10,000/- whichever is higher.

b. Where the violation is up to 2% of the prescribed limit(s) –

Limit exceeded x Closing price x number of days such violation continued x 2% (0.02) or Rs. 10,000/- whichever is lower.

c. The member has to ensure reduction in position and to bring it within the prescribed limit(s) by the next trading day after the day of violation. In case such violation continues, the Exchange would square-off the excess position without any further notice to the member by putting the orders on behalf of the member in that client code and will not be responsible for the consequences of such action

2. In case, the instance at 1 (a) above is observed for more than 3 times in a month across the market, the Exchange would suspend the concerned member for a period of one week. For instances at 1 (b) above, the Exchange may devise its norms to deal with habitual defaulters.

## 3.9 Registration of client code

Stock brokers are advised to upload all the client codes well in advance for execution of trade in the Commodity Derivatives segment. Trades will be allowed to be executed only in the registered client codes in the Commodity Derivatives segment. No trades would get executed in the unregistered client code in Commodity Derivatives segment.

With the introduction of Commodity Derivatives segment, an additional segment has been added in the existing file format for uploading UCC.

In order to facilitate the stock brokers who have not taken the membership of Commodity Derivatives Segment the Exchange has provided the facility to upload UCC in existing file format. The stock brokers who have taken membership for Commodity segment are required to use the new file format for uploading the UCC.

## 3.10 PAN mismatch file

The UCC details (PAN and name) uploaded by the stock brokers are verified with the details on the Income Tax database. Post verification, the stock Exchange is providing the PAN mismatch file to the stock brokers containing the details of client codes wherein the details filled by you in the UCC database does not match with the details available on the Income Tax website. The said PAN mismatch file would contain all the records irrespective of segments, wherein the details (either PAN or name or both) are not as per the Income Tax website and require rectification at your end. Stock brokers are advised to check the PAN mismatch file on a daily basis. The records if any, available in the mismatch file should be rectified immediately as per the details available on the Income Tax website.

## 3.11 Registration of location Ids

Stock brokers must ensure to register the trading terminals used for trading in commodity derivatives as per notice no. 20120816-19 dated August 16, 2012.

In case of non-registration of the terminal location details to the Exchange before placing the orders, penalty will be levied by Exchange as per notice no.: 20070517 - 22 dated May 17, 2007.

 Further, please refer Exchange notice no. 20120823-13 dated August 23, 2012 according to which 4 provisional files were being downloaded to stock brokers. With the commencement of commodity derivatives w.e.f October 1, 2018, 6 provisional files will be downloaded to stock brokers in the extranet.

The timing for the download of UNLC file is given below:

UNLC1   :       11:30am         (orders upto 11:00 am)

UNLC2   :       13:30pm         (orders upto 01:00 pm)

UNLC3   :       15:30pm         (orders upto 03:00 pm)

UNLC4   :       17:30pm         (orders upto 05:00 pm)

UNLC5   :       20:30pm         (orders upto 08:00 pm)

UNLC6   :       00:20am         (orders upto 11:59 pm)

Further the LC file will be downloaded to the stock brokers on next trading day. Records appearing in LC file are subject to penalty as per Exchange notice no. 20070517 - 22 dated May 17, 2007.

The name and path of the UNLC files downloaded to stock brokers are as below:

| SL.NO. | FILENAME | EXTRANET PATH |
|---|---|---|
| 1 | UNLC<1/2/3/4/5/6>_EQ_DDMMYY | /EQ/TRANSACTION/MMM-YYYY/DD-MM-YYYY |
| 2 | UNLC<1/2/3/4/5/6>_FNO_DDMMYY | /FNO/TRANSACTION/MMM-YYY/DD-MM-YYYY |
| 3 | UNLC<1/2/3/4/5/6>_CDX_DDMMYY | /CURRENCY/TRANSACTION/MMM-YYY/DD-MM-YYYY |
| 4 | UNLC<1/2/3/4/5/6>_BCX_DDMMYY | /BCX/TRANSACTION/MMM-YYY/DD-MM-YYYY |

## 3.12 High Order to Trade ratio in Algorithmic Trading

Please refer SEBI circular no. SEBI/HO/CDMRD/DMP/CIR/P/2016/97 September 27, 2016 on "Broad Guidelines on Algorithmic Trading for National Commodity Derivatives Exchanges" and SEBI master circular no. CDMRD/DMP/CIR/P/2018/126 no. dated September 7, 2018 regarding "Master Circular for Commodity Derivatives Market".

Economic disincentive for high daily order-to-trade ratio: As per the direction of SEBI, in case of a high daily order to trade ratio through algorithmic trading in commodity derivatives Segment, following charges shall be levied for algorithmic orders having high order to trade ratio with effect from October 1, 2018. The said charges, computed daily, shall be collected on a monthly basis, after reckoning all algorithmic orders and trades pertaining to all user ids of the member:

| Daily Order to Trade Ratio | Charges per order |
|---|---|
| Less than 50 | Nil |
| 50 to less than 250 (on incremental basis) | 1 paise |
| 250 to less than 500 (on incremental basis) | 5 paise |
| 500 or more than 500 (on incremental basis)* | 5 paise |

\* In case the ratio is 500 or more than 500 during a trading day, the concerned member shall not be permitted to place any orders in the commodity derivatives segment of BSE for the first 15 minutes on the next trading day (in the continuous trading session) as a cooling off action. However, the trading member shall be permitted to enter transactions in risk reducing mode in the commodity derivatives segment during such a cooling off period.

For the purpose of calculation of daily Order-to-trade ratio, all algorithmic orders, i.e. order entry, order modifications and order cancellation shall be considered. Further, it may be noted that:
1. The algorithmic orders entered and /or modified within 1 % of the last traded price (LTP) of the respective contract shall not be included in the calculation of the Order –to-Trade ratio for the purpose of arriving at the penalty for higher order – to – trade ratio.
2. The penalty structure will be applicable for only those members who have placed 10,000 orders or more in a day.

Stock brokers may please note that an hourly alert on algo order to trade ratio in commodity derivatives segment will be reflected in the E boss system w.e.f October 1, 2018.

Alerts & Events ⮞ Member Surveillance Alerts ⮞ Exchange ⮞ Commodity ⮞ ALGO ORDER TRADE RATIO

Further an hourly, daily and monthly file of high Order to Trade ratio in Algorithmic Trading in Commodity Derivatives will be available to stock brokers through extranet. Path and name of files are as given below:

| Path | /BCX/TRANSACTION/MMM-YYYY/DD-MM-YYYY/ |
|---|---|
| Hourly File | BCX_HA_H<HH>_DDMMYYYY.XXXX (where XXXX is member code, <HH> is 11,12,13 etc) |
| End of Day (EOD) File | BCX_HA_DDMMYYYY.XXXX (where XXXX is member code) |
| Monthly file | BCX _HA_M_MMYY.XXXX(where XXXX is member code) |
| File Header(Pipe separated) | DATE\|MEMBERCODE\|MEMBERNAME\|ALGO ORDER COUNT\|ALGO TRADE COUNT\|OTR |
| Sample Record | yyyy-mm-dd\|Clg no.\|Name of member\|0\|0\|0 |

# 4.    IT Applications and Facilities

## 4.1 Online Trade Download (OTD):

OTD facilitates members to receive online trades during trading hours in the form of a separate file generated at a particular machine location as required by the member for each segment, subject to trading rights for that segment. This file is provided on real time basis (online trade file) to all trading members (TM) & Clearing members (CM). The file format of online trade file is same as end-of-day trade file.

### *4.1.1 Online Trade file Activation*

**Details to be provided by Members  for connecting Online trade file application with BSE Trading System:-**

   **A.** Trading member/ Clearing member to provide following details on email :- bsehelp@bseindia.com

   1. **Trading member code**: For example 9018
   2. **Trading member type:** For example TM/ CM/ PCM / TCM

   3. **Mode of connection:** Lease line / Internet

   In case of Lease line: Lease line IP address of machine connected to BSE Exchange. For Example IP address in range of 10.xxx.xxx.xxx
   In case of Internet: Static IP of machine where OTD set-up will be is installed.

   4. **Segment:** Equity / Derivatives /Currency Derivatives/ Commodity Derivatives

   **B.** Exchange will map details provided by trading member and provide configuration file (settings.ini) via e-mail. Trading member to copy same in the folder where Online Trade file (OTD.exe) is installed.

### *4.1.2 Online Trade file Installation guide*
**Installation Steps of Online Trade file application**

   PREREQUISITES:-
   .Net Frame Work 4.0.
   Lease Line/Internet connectivity on the machine
   512MB RAM and above

   STEPS:-
   Download the Online trade file application available on following link :-
   http://www.bseindia.com/boltpluslivesetup.aspx
   Double click on set up.exe (otd->otd->release->setup)
   Click on next button during the installation process

Exe will be installed on default path c:\program files\bse\otd\otd.exe or path provided during installation.

Once setup is completed you will get quick icon 'OTD' on Desktop.
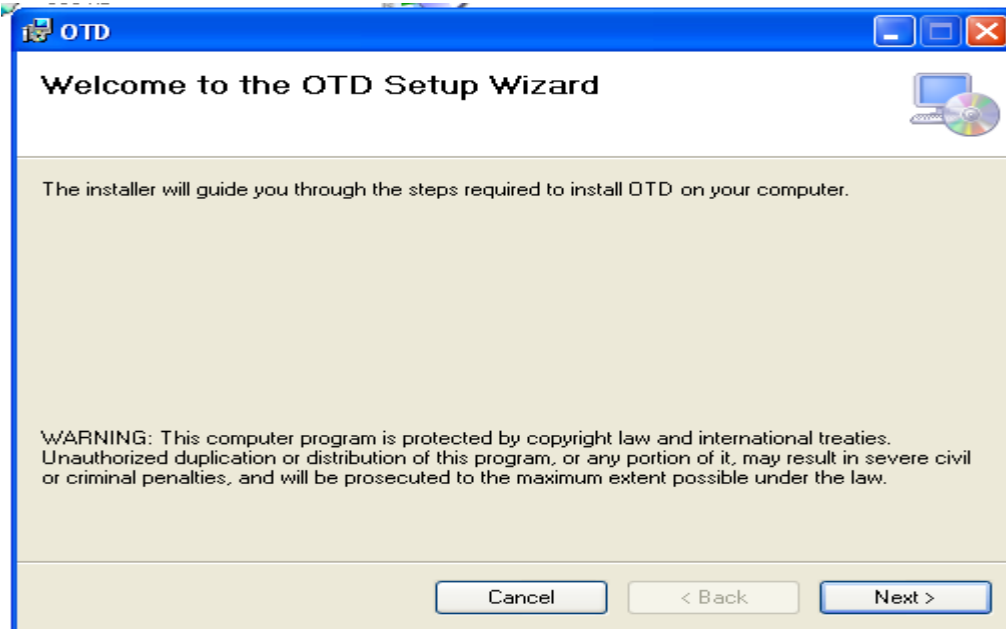


- Click on "next" to install the application on the machine. Is shown below.
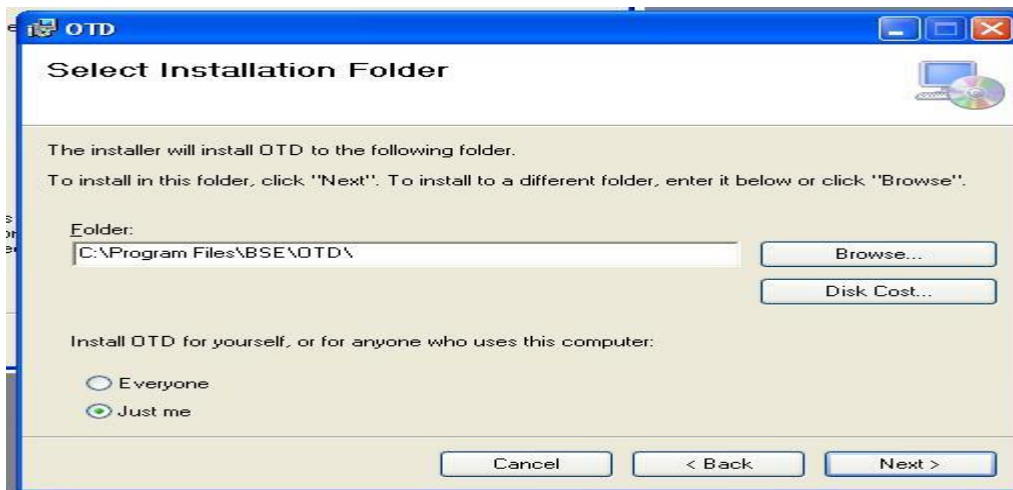


- On clicking on "Next" the following screen is displayed.
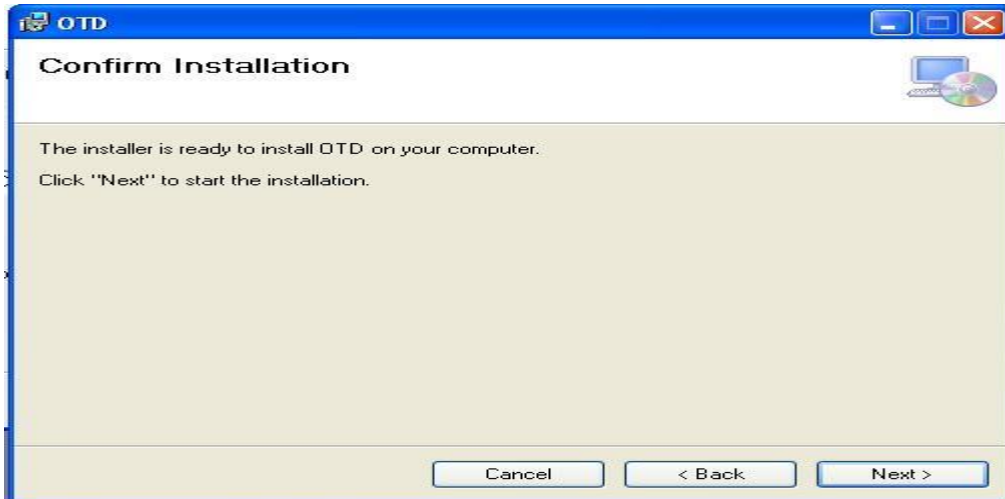
- Click "Next"
- The next screen available to the member states that "OTD" is being installed as shown below
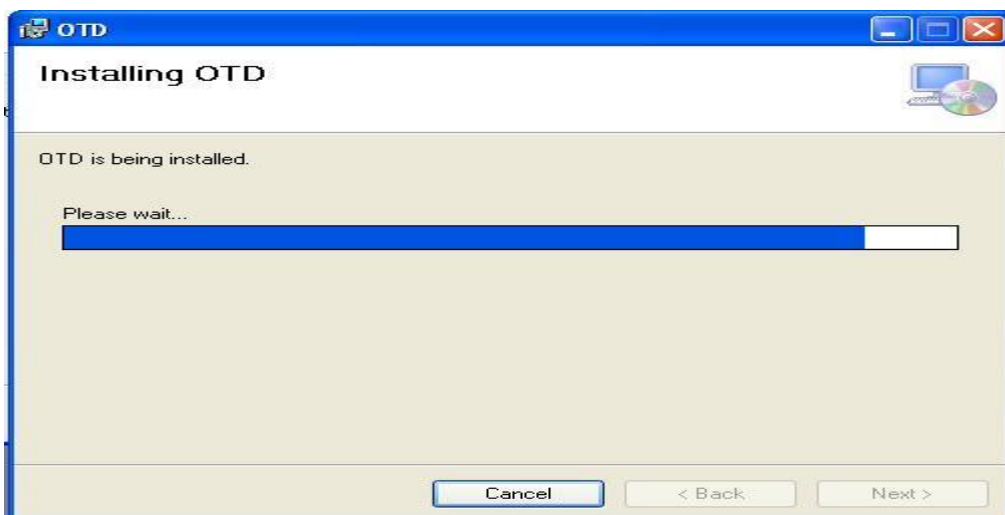


- Once "OTD" has been successfully installed into the system, the following screen appears
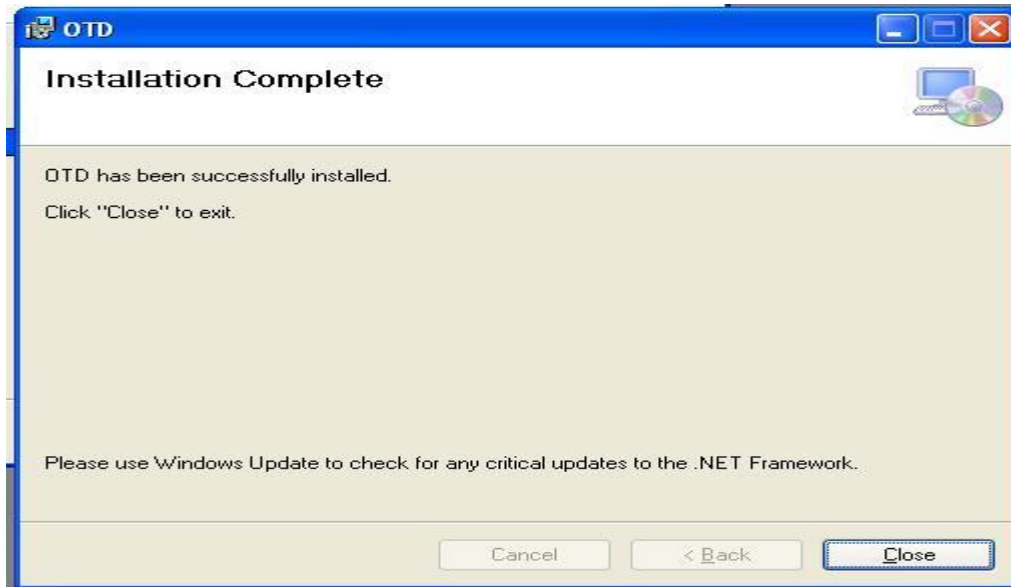
- Click on "close"
- The member can view a quick icon "OTD.exe" on desktop.
- If User Credentials are matched then following screen will be displayed indicating that connectivity has been established.
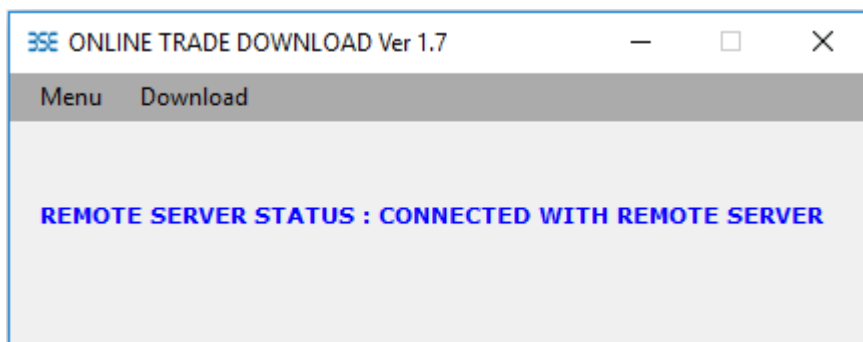


- In case of incorrect user credentials, following screen will appear.
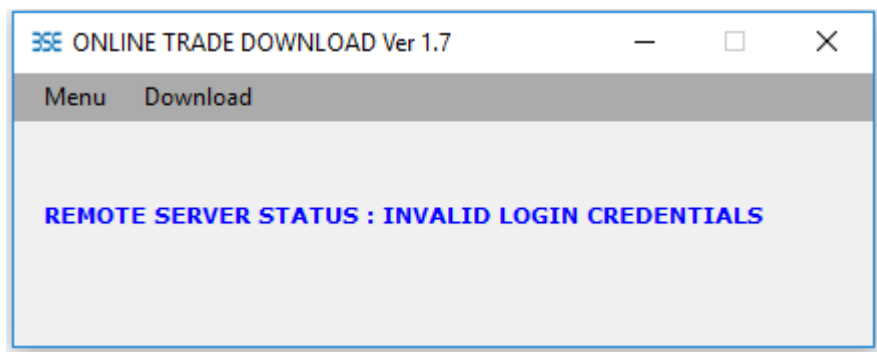


- In case user want to download all the trades from start of the day till the current time then user can use the below **"Delta Download"** option.
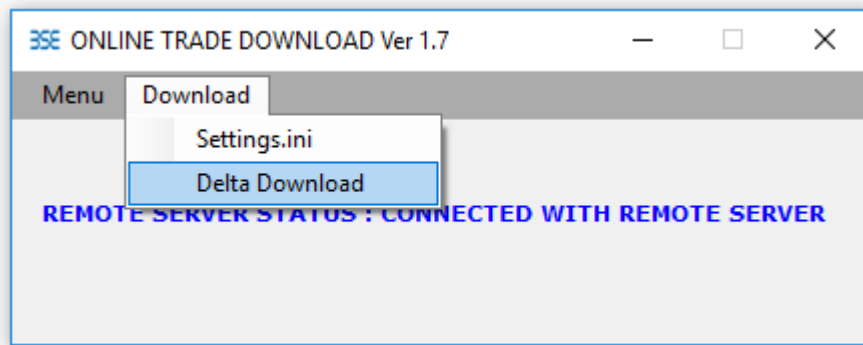
- When user clicks on "Delta Download" option OTD set-up creates back-up of existing trade file and new trade file is generated in same folder.

### 4.1.3 How to use Online Trade file

**A.** Trading member to e-mail requested detail mentioned in point 1(A) to bsehelp@bsendia.com

**B.** Once the necessary mapping is completed members is provided configuration file (settings.ini) from Exchange, which needs to be copied within the OTD folder where 'OTD.exe' is installed.

**C.** User to click on 'OTD.exe' installed in his machine which will be connected to Exchange with message '**REMOTE SERVER STATUS: CONNECTED WITH REMOTE SERVER**' and auto Trade file generation will start.

**D**. The online trade file shall be generated in CSV format in the same folder where OTD.exe is present.

**- Values provided in settings.in file by Exchange**

REMOTESERVERIP=10.1.101.102
REMOTESERVERPORT=9011
MEMBERID=XXX (Member code)
BBSID=BAG89
LOGINID= XXX (Member code)
PASSWORD=BSE@98
ALLOWDOWNLOAD=Y
TIMESTAMP=08:00:00
RECONNECT=10000
INTERVALFORSENDDATA=30
MEMBERTYPE= (CM / TM)
1=EQ
2=EQD
3=BFX
4=SLB

7= BCX

0=OTHERS

### A. DO's and DON'Ts

- Users should not keep online trade file open else auto updation of Trade file will not happen.
- To view trades, user should copy trade file from OTD Folder and save the trade file in different location. It is recommended to take the copy of file rather than reading file directly from the location where we are writing data in file.
- Do not close OTD.exe once the online trade file is downloaded. If OTD.exe is closed, auto updation of trades in online trade file will not happen.

## 4.2 RTRMS – Zero Terminal (ZT) System

The RTRMS-ZT for the Commodity Derivatives segment is an enhanced version of the Admin terminal providing greater flexibility and control to the Admin user of a trading member firm to perform various admin and risk management functions. RTRMS-ZT has been integrated as a module within Real Time Risk Management System (RTRMS) which is already used by trading members. Being web based, RTRMS-ZT module provides ease of access to all trading members and can be accessed with authorized login credentials. Trading members can use their existing login credentials of RTRMS to access the RTRMS-ZT module. This will facilitate the trading member to simultaneously control his order level and post-trade level risk management activities through a single system. No separate system/ trading terminal needs to be configured as Admin/Zero terminal for Commodity Derivatives segment.

The functionalities being in RTRMS-ZT module for Commodity Derivatives segment are as follows:
1. View All Trades – Trading member can view all the trades performed by all his trading users (both API and TWS users).

2. View All Pending Orders – Trading member can view all the pending orders entered by all his trading users (both API and TWS users).

3. Cancel All Pending Orders – Trading member can cancel all the pending orders for all his trading users (both API and TWS users).

4. Single Order Quantity Limit – Trading member can control maximum order quantity allowed in a single order for his trading user. Based on the single order quantity limit is set for the trading user, BOLT plus trading system shall validate the order quantity of each order with the limit set herein.

5. All Trade Limit – Trading member can set Gross Buy, Gross Sell, Net Value, Net Buy Qty and Net Sell Qty through RTRMS – ZT system.

6. All the above limit updation (viz All trade limit, single order qty limit and single order value limit) can be done on intra-day basis.

7. Dealer Position - A new report to view Dealer wise contract wise position. User can view dealer wise contract wise position in this new report window.

8. User Role Assignment - ZT functionalities are available in the User role assignment module. Admin user can assign these functionalities to its 'sub users' created by Admin user, using 'Assign Rights' available in 'Users' option available in RTRMS

### a. View All Trades

In 'List Trades' screen, trading member shall be able to view all trades performed by all his trading users.



The trades done through both API based terminal and exchange offered TWS terminal shall be available.

Trading member can filter the trades on the basis following parameters:
- User Id
- Series Id
- Trade Id
- Order Id
- Client Id
- Client Type

### b. View All Pending Orders

In 'Pending Order' screen, trading member shall be able to view all orders entered by all his trading users which are either fully or partially unexecuted.



Orders entered through both API based terminal and exchange offered TWS terminal shall be visible in the 'Pending Order' screen.

Modified orders shall also be updated in this screen.

Following details for pending orders shall be available as part of the 'Pending Order' view: User Id, Order Id, Buy/Sell, Pending Qty, Rate, Trigger Rate, Series Id, Series Code, Client Id, Client Type, Time, etc.

Trading member can filter the pending orders on the basis following parameters:

- User Id
- Series Id
- Order Id
- Client Id
- Client Type

**Single order cancellation**

- 'Single Order Cancellation' feature shall allow the trading member to cancel selected pending order from 'View All Pending Orders' screen.
- For cancelling a single order, trading member should use the 'Cancel' button provided on 'View All Pending Orders' screen.

- Filters (Series ID, B/S, client id, Order ID, Client Type, User ID) have been provided on the 'View All Pending Orders' screen for selecting any particular order for cancellation.
- Trading members shall be allowed to cancel only one order at a time.

### c. Cancel All Pending Orders

Trading member shall have the facility to perform mass cancellation of all pending orders.

On mass cancellation, pending orders for all the trading users under the trading member shall be cancelled.

### d. Cancel All Orders for a User Id
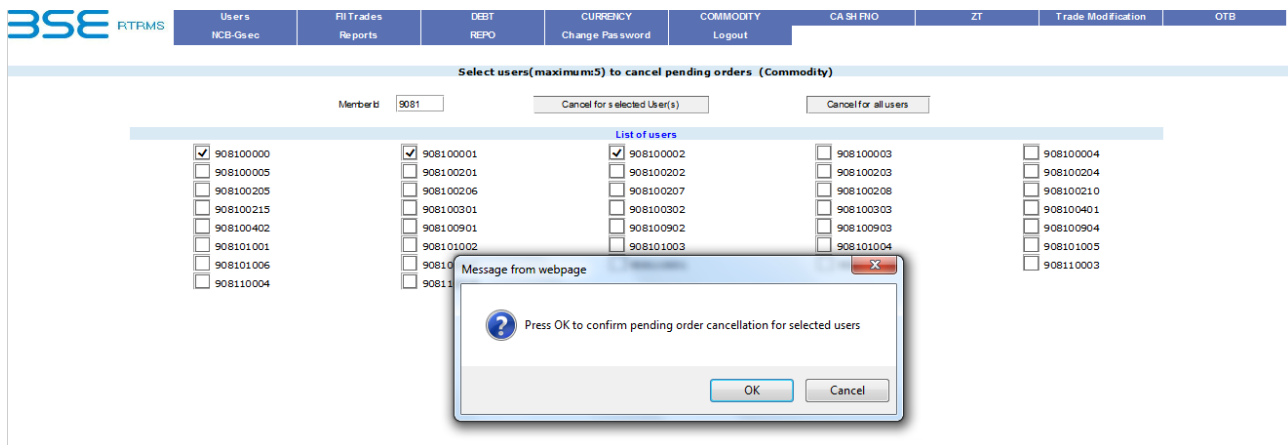
Cancel for selected user(s)

Trading member will be able to cancel the pending orders for a single user or multiple users through this option.

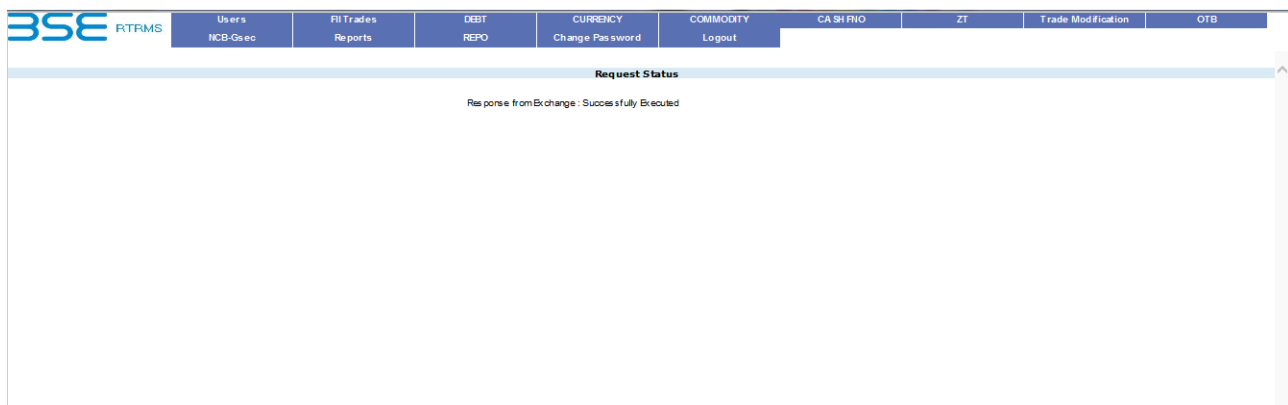1) Select the checkboxes corresponding to the user Ids for which orders are to be deleted

2) Click on the button 'Cancel for selected user (s)'. A confirmation box will be displayed.



3) A request will be sent to the exchange for cancellation and the following message will be displayed on successful cancellation



e. **Single Order Quantity Limit**

- Single order quantity limit specifies the maximum allowed quantity for each order.
- Trading member shall be allowed to set single order quantity limit for all its trading users.
- Trading member can enter separate single order quantity limit for Simple Instruments (Futures & Options) contracts and Complex Instruments (Calendar Spreads) contracts.
- Single order quantity limit for each trading user can set for each product. i.e. Trading member for user 1 can set separate limits Futures and Options.
- Trading member shall also be allowed to edit the already existing Single Order Quantity Limit.
- Any addition/updates in the single order value limit done by the trading member shall be effective from the next business day.
- Once the single order quantity limit is set by the trading member, BOLT plus trading system shall not allow that user to enter order quantity greater than the set single order quantity limit.

Note: If the single order quantity limit set by the trading member for a user is more than the exchange level order quantity limit, then the validation in BOLT plus trading system for the order quantity shall be done against the exchange level quantity limit.

**f.   Dealer position and User Role assignment in RTRMS ZT** -

- 'Dealer Position' report in Commodity Derivatives segment - New report has been made available in RTRMS ZT to view Trader ID wise scrip wise positions for 'T' day.

- User Role Assignment for functionalities in ZT - In the existing 'User role' functionality, new roles has been added for all functionalities available in RTRMS-ZT system for Equity, Equity Derivatives and Currency segments and Commodity Derivatives.

Trading member can refer to the following matrix for features that shall be available RTRMS-ZT.

| Features | Commodity Derivatives |
|---|---|
| View All Trades | Available Intra day |
| View All Pending Orders + Single Order cancellation | Available Intra day |
| Cancel pending orders for 'Selected User IDs' and 'All User IDs' | Applicable Intra day |
| Single Order Limit (Quantity & Value limit) | Applicable Intra day |
| All Trade Limit | Applicable Intra day |
| Dealer Position | Available Intra day |
| User Role Assignment | Applicable Intra day |

G.  Trading members can reset password of trader ID and session ID used by members to connect to the Exchange trading system, shall be provided in RTRMS-ZT system.

H.  In RTRMS system, Trade Modification facility (as per circular 20170915-26) can be assigned to multiple sub users (upto 3 sub-users) in RTRMS system. Using this, members can now assign a set of trader IDs (which are used for trading on the Exchange trading system) to a sub-user. In this way, all trader IDs of a member can be distributed across 3 sub-users within RTRMS system for carrying out trade modification activity. Each such sub-user can then carry out trade modification activity for trades done through the trader IDs assigned to it.

## 4.3 Parameters to connect Front end Trading System with BSE BoltPlus system

Trading Members using BOLT TWS / IML / API shall be required to have relevant connection parameters configured to be able to connect to the BOLT PLUS trading system.

The below hyper link provides the connection parameters for connecting to the PR site / DR site / Simulation Environment of the BOLT PLUS trading system.
Boltplus Configuration Parameters

## 4.4 Market Data

Exchange disseminates market data broadcast through various types of streams in Commodity derivatives Segment to its ETI-API/IML users-

1. EOBI (BSE Enhanced Order Book Interface)
2. EMDI (Enhanced Market Data Interface)
3. MDI  (Market Data Interface)
4. NFCAST

## 4.5 Extranet facility

In order to serve the members better and make the downloading of files more user-friendly, the Exchange has launched web based system, viz., **Extranet**.

The URL for accessing the Extranet System:

Internet URL         https://member.bseindia.com
Leased Line URL      https://10.1.101.98

The salient features of the Extranet System are detailed below:
- Web based download and upload system
- Accessible through Internet and Intranet (i.e., leased lines)
- Availability of 30 days history file downloads

In addition to the Extranet System, BSE is also providing an Auto download application called **"Extranet Plus"**. This application needs to be installed at the members end. The member has to login to the application only once and the files will be downloaded to the local disk automatically as and when BSE provides the files for download. Extranet Plus application is currently accessible only on the private network (LAN, WAN, VSAT) and not on internet.

Members can download the new version (Version 2.2) of the application from the following links:

Internet URL          http://bseindia.com/help
Leased Line URL       http://10.1.101.98

In addition to the Extranet System, Members can view availability status of files / reports pertaining to Trading and Clearing & Settlement on Member Extranet Portal under File Status Dashboard.

In addition to extranet members can also download master files from link http://bseindia.com/help

# 5. Support

## 5.1 Help Desk

In an endeavor to enhance trading experience and to improve member services, Exchange supports its members through a dedicated BSE Technical Help Desk.

Members can call at BSE Technical Help Desk on Tel. No. 022-30594000 (hunting line) between 8:00 am to 7:30 pm on all trading days for their queries. Members may alternatively write to BSE Technical Help Desk on email Id: bsehelp@bseindia.com for their queries.

**Help Desk supports all queries including the following areas:**
1. Trading System
2. Connectivity related
3. Clearing and Settlement
4. Membership related
5. Various Product related
6. General Queries

## 5.2 Trading Operations Desk

This desk caters to Member requirements pertaining to User Id management for various Exchange systems.

Members can call at Trading Operations Desk on tel. no. 022 2272 8215 / 8005 between 8:00 am to 7:30 pm on all trading days for their queries or they may alternatively write to Trading Operations Desk on email Id: user.trdops@bseindia.com for their queries.

### 5.2.1 Creation of User Ids
Checklist for documentation requirements for Creation of User Ids on BOLT PLUS trading system:

|  | BOLT TWS ID | Bolt Plus on Web/BEST Id | IML ID and ETI ID with New Vendor | New IML Id and ETI with existing Vendor | Re Activation of IML/ETI ID with New Vendor |
|---|---|---|---|---|---|
| Activation Form | Yes | Apply through BEFS Portal | Yes | Yes | Yes |
| Annexure B | NA | NA | Yes | NA | Yes |
| IML Undertaking | NA | NA | Yes | NA | Yes |
| Board Resolution Copy | NA | NA | Yes | NA | Yes |

| IML-Vendor Declaration Form | NA | NA | NA | Yes | NA |
|---|---|---|---|---|---|
| Commodity derivatives Certificate* | Yes | Yes | Yes | Yes | Yes |

**\*NCFM/MCX:** Commodities Derivatives Certification Examination for Commodities Derivatives (within 3 months of new user ID application).

**Process Flow for User ids creation**

- Trading Operations receives BOLT TWS / IML/ ETI/BOW id creation request for Commodity derivatives segment from Member.
- If the member request is as per format, the request is authorized and acted upon post verification.
- If the member request is not as per format, the member is communicated about the same and is asked to resend the request as per requisition format.

If the member's application for creation of User Id is not as per the requisition form, it is liable for rejection (for the indicative reasons mentioned below)

**Indicative reasons for Rejection of Activation form:**

1. NISM certificate missing
2. Date is missing
3. Annexure B missing
4. Tick not present on Activation/ Deactivation & segment
5. IDs not mentioned
6. Trading segment not ticked
7. Designated Director's name & no missing
8. Authorized person's designation not present.
9. Stamp is improper
10. Tick not present on 3rd point of undertaking.
11. Date on last page of Undertaking should be same as date mentioned on Board Resolution copy
12. Undertaking should be on 100Rs. Stamp paper/Franking/e- Stamp paper
13. Activation form should be on company letter head
14. IML undertaking not present for IML id 201 or for any IML id with vendor change
15. Board resolution required for IML id 201 or for any IML id with vendor change

*5.2.2 Deactivation of User IDs*

**Process Flow for deletion of User ids in all segments**

1. Member will require to send an application form for deactivation of User Id in a soft copy on an email ([user.trdops@bseindia.com](mailto:user.trdops@bseindia.com)) to
2. If the member's request is not as per the requisition format, it is rejected and a pro-active call is made to the member for the same. Further, member is requested to resend with necessary changes to Trading Ops team.
3. If the received request is authorized by anyone other than director/proprietor but above Manager Level, then Trading Ops team verifies the authenticity of the person authorizing the request with the firm's director/proprietor.

**Attachment**

1. [Activation Form](#)

2. [IML Undertaking](#)

3. [Annexure B](#)

*5.2.3   Process for Creation of User id and passwords (for other applications / systems):*

One day prior to business commencement day, User Ids of following applications / systems are created by the Exchange and password is emailed to member, on their registered email id.

- SSO
- UCC/Extranet
- BEFS
- LEIPS
- iBBS
- Star MF
- SME market maker

*5.2.4   Process for resetting of Passwords (for other applications / systems):*

Members can reset their passwords for various applications / systems in the following manner:
- By clicking on 'Forgot Password' option to receive password on their registered mail ids where 'Forgot password' option is enabled.
- Alternatively by sending an email to [user.trdops@bseindia.com](mailto:user.trdops@bseindia.com) from their registered email id mentioning Clg no. and name of respective applications / systems.
- In the event member requires to change the registered email id for an application / system, they can email their request to [user.trdops@bseindia.com](mailto:user.trdops@bseindia.com), mentioning the Clg no. and the name of respective application / system.

*5.2.5 User IDs Review process*

As a process, Exchange will review the login history of user IDs/ Trader IDs periodically. The User Ids/ Trader IDs which have not logged in the trading system in previous 1 year will be deleted from the system. The member has to follow the user ID/Trader ID creation process to activate the same User ID in the system.

## 5.3 Contingency Pool Operations

Exchange provides a contingency pool area for trading facility from its premises at P. J. Towers, Mumbai. Members can avail of this facility in the event of a contingency where trading member is not able to trade from own office due to technical issues or otherwise. In such cases, trading member can send the request in writing to the Exchange seeking permission to trade from Exchange's premises. Once Exchange receives such request from the trading member, it verifies the details and permits the representative of the trading member to use the trading facility in the contingency pool area in its premises. The facility is available on a first come first serve basis. Trading member is granted permission to use trading facility in the contingency pool for a particular day only.

The Contingency Pool is located at 9th floor (Room 917A), P. J. Towers, Dalal Street, Mumbai – 400 001.

Please find enclosed herewith the following documents:

1. Procedure for operating from the Contingency pool is enclosed herewith – Annexure I.
2. Form for Use of Contingency Pool – Annexure II.

Further, members may note that maximum two persons from their offices shall be allowed inside the pool at any given point of time.

All members are requested to follow the procedure stipulated in this regard.

For any query about Contingency Pool access, please contact Helpdesk on 022 30594000 (Hunting).

**Relevant Notices:**

| Notice No. | Date |
|---|---|
| 20180912-3 | September 12, 2018 |