

National Stock Exchange Of India Limited**Department : SURVEILLANCE**

Download Ref No: NSE / SURV /55281

Date: January 17,2023

Circular Ref. No: 42/2023

To All NSE Members

Sub: Placing Orders at fair prices and Market Price Protection check

Recently the Exchange has implemented various Pre-Trade Risk Controls (PTRC) like Market Price Protection (MPP), Limit Price Protection (LPP), Stop loss trigger- Limit price validation and Hard bounds (specifically for options). The Pre-Trade Risk Controls are aligned with market movements ensuring continuous orderly trading.

While the Exchange may enhance these controls, it is reiterated that trading members should continue to ensure compliance with NSE circular NSE/SURV/52504 dated June 2, 2022 pertaining to Placing orders at fair prices by building adequate controls in their Non-Neat Frontend (NNF) systems as well. This applies to all types of orders including Stop Loss, Spread orders etc. Attention is also drawn to NSE circular NSE/SURV/54513 dated November 18,2022 and NSE circular NSE/INSP/49369 dated August 21,2021 where Trading Members are required to incorporate in their NNF systems, controls as prescribed in these circulars.

NSE circular NSE/CMTR/21793 dated Sep 28, 2012 on “Consolidated Circular for trading through Decision support Tools/Algorithms” provides for minimum level of Risk controls which a Trading member shall ensure before placing any algorithmic orders routed through electronic / automated risk management system. As a part of the 13 checks mentioned in the said circular, Exchange would like to reiterate that trading members should adhere to the Market Price Protection check, by not placing any algorithmic orders on the Exchange as a market order.

In case of any further queries, members are requested to contact on 022-26598129/8166.

For National Stock Exchange of India Limited

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