

**National Stock Exchange Of India Limited**

Department : COMMODITY DERIVATIVES SEGMENT

Download Ref No: NSE/COM/40716

Date : April 10, 2019

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All Members,

## Prevention of Self-Trade

This is further to Exchange circular NSE/COM/38941 dated September 21, 2018 regarding “Self Trade prevention”.

Based on SEBI directive, with a view to further strengthen Self-Trade Prevention (STP) mechanism; the applicable provisions are being revised as follows:

1. For PRO / Client (Non CP Code) order: If an active PRO / Client (Non CP Code) order is likely to match with any passive order (PRO / Non CP Code Client / CP Code Client) 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”.
2. For Custodial Participant (CP Code) order:
  - a) If an active CP code order is likely to match with a passive CP code order having the same CP code in the same order book; Or
  - b) If an active CP code order is likely to match with a passive PRO / 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”.

Thus, in case of Pro / 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.

The mechanism shall be applicable only during matching. During trade modification, members shall have the option to modify the PAN as well. Member shall take due precaution to prevent self-trade while performing trade modification.

Accordingly, please note that the PAN field shall be mandatorily required to be populated in order messages / trade modifications for all “**Pro**” and “**Client**” orders (Non-CP as well as CP clients). In cases where the investor is exempt from PAN, it will be mandatory to provide ‘PAN\_EXEMPT’ in the PAN Field. Members shall be solely responsible for the correctness of PAN provided in order messages.

The above provisions would be effective from May 06, 2019.

The existing mechanism of STP check as per Exchange circular NSE/COM/38941 dated September 21, 2018 shall continue to be effective till May 03, 2019.

For and on behalf of  
National Stock Exchange of India Limited

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