

## NOTICES

Notice No.	20181213-31	Notice Date	13 Dec 2018
Category	Compliance	Segment	General
Subject	Abnormal / Non – genuine trades		

### Content

**Sub: Abnormal / Non – genuine trades**

This is further to Exchange circulars issued from time to time to exercise due diligence and adhere to the Rules, Regulations and Bye-Laws of the Exchange.

In this regard, trading members are advised to refrain from entering abnormal / non – genuine transactions executed by the market participants primarily with an objective of transferring profit / loss between the concerned entities or creation of artificial volume in securities / contracts.

The Exchange shall send necessary advice / caution letter to Trading Members and initiate appropriate disciplinary actions against the members concerned in case the activity is observed to be abnormal / non-genuine. Exchange may also levy a penalty of 100% of the traded value / profit made / loss incurred as a result of the trades.

The decision whether a trade or trades is / are abnormal / non – genuine would be of the Exchange which would be final and binding.

The Exchange may also consider taking appropriate disciplinary actions against the member concerned for multiple instances of such abnormal / non-genuine trades as per the Rules, Bye-Laws and Business Rules of the Exchange.

In case the trading members suspect that there is an abnormal trading pattern, the amount equivalent to the trades in the security shall be blocked and released only after seeking rationale of the client on the said trades and carrying further scrutiny of KYC documents / source of funds.

The trading member shall intimate his decision to withhold the amount of the client along with his rationale to the Stock Exchange within 01 day of withholding. The intimation shall be sent to [investigation@bseindia.com](mailto:investigation@bseindia.com).

The provisions of this circular will be applicable to all segments with effect from December 17, 2018.

Trading members are requested to take note of the above and ensure strict compliance. In case of any clarifications, kindly contact on 022 2272 8852 / 8234.

**For & On behalf of BSE Ltd.**

**Usha Sharma**  
Addl. General Manager  
Surveillance

**Maithili Save**  
Manager  
Surveillance

**Date: - December 13, 2018**

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

Download Ref No: NSE/INVG/39647

Date : December 13, 2018

Circular Ref. No: 168/2018

To All NSE Members,

**Sub: Abnormal/Non-Genuine Transactions**

This is further to Exchange circulars issued from time to time to exercise due diligence and adherence to the Rules, Regulations and Bye-Laws of the Exchange.

In this regard, Trading Members are advised to refrain from entering into abnormal/ non-genuine transactions executed by the market participants primarily with an objective of transferring profit / loss between the concerned entities or creation of artificial volume in securities/contracts.

The Exchange shall send necessary advice/caution letter to Trading Members and initiate appropriate disciplinary actions against the members concerned in case the activity is observed to be abnormal/non-genuine. Exchange may also levy a penalty of 100% of the traded value/ profit made/ loss incurred as a result of the trades.

The decision whether a trade or trades is / are abnormal / non-genuine would be of the Exchange which would be final and binding.

The Exchange may also consider taking appropriate disciplinary actions against the member concerned for multiple instances of such abnormal / non-genuine trades as per the Rules, Bye-Laws and Business Rules of the Exchange.

In case Trading Members suspect that there is an abnormal trading pattern, the amount equivalent to the trades in the security shall be blocked and released only after seeking rationale of the client on the said trades and carrying further scrutiny of KYC documents /source of funds.

The Trading Member shall intimate his decision to withhold the amount of the client along with his rationale to the Stock Exchange within 1 day of withholding. The intimation shall be sent to [inv@nse.co.in](mailto:inv@nse.co.in)

The provisions of this circular will be applicable with effect from December 17, 2018 and shall be applicable across all segments i.e Cash Market, Currency Derivatives, Equity Derivatives and Commodity Derivatives.

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

In case of any further queries, members are requested to contact the following officials:  
Ms. Sayali Bhalerao (Extn: 22374), Mr. Soumil Shah (Extn: 22385), Mr. Hiren Thakkar (Extn: 22399)  
Direct No: 022-26598417/18

**For and on behalf of**  
**National Stock Exchange of India Limited**

**Avishkar Naik**  
**Vice President**

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