

National Stock Exchange of India Circular

Department: SURVEILLANCE	
Download Ref No: NSE/SURV/52504	Date: June 02, 2022,
Circular Ref. No: 346/2022	

To All NSE Members

Sub: Placing orders at fair prices

This is continuation of NSE circulars NSE/FAOP/4746 dated January 20, 2004, NSE/FAOP/5856 dated February 22, 2005, NSE/INVG/5911 dated March 10, 2005, NSE/INVG/2006/7127 dated February 3, 2006, NSE/INVG/2007/8719 dated March 23, 2007, NSE/SURV/49368 dated August 21, 2021 & NSE/SURV/49971 dated October 14, 2021.

Exchange continues to observe instances, whereby few trading members are placing orders on the Exchange platform at prices which do not reflect the current market price and are far away from the last traded price/ reference price/ theoretical price. Instances are also observed where trading members are placing orders on the Exchange platform at prices which are at extreme end of the operating range defined by the Exchange and have no apparent economic rationale when compared with last traded price/ reference price/ theoretical price / underlying price movement. Exchange has also observed that some of such orders placed at the extreme end of the operating range, lie passively in the order book.

Trades arising from such orders placed at unrealistic prices lead to aberrations in the normal price discovery process.

Members are strictly advised to desist from entering orders or executing transactions which, prima facie, appear to be non-genuine on their own account and/ or on behalf of their clients and refrain from indulging in practices which lead to aberrations in the order book. Members are advised to put in place appropriate internal systems and procedures at their end to ensure that such orders/ transactions are not placed on the trading system of the Exchange, including trades through IBT/ STWT/Algorithmic trading.

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Non compliance of the circular shall attract suitable disciplinary action as per the Capital Market and F&O Regulations of the Exchange, which may include de-activation of trading terminals.

Members may please note that Exchange has already initiated disciplinary action proceedings against few members w.r.t violation of previous circulars in this regard.

In case of any further queries, members are requested to contact on +91-22-2659 8129 / 66 or +91-44-6630 9949 / 93.

For National Stock Exchange of India Limited

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