

FAQs – Block Deal Window Mechanism

A. Trading

1. What is a Block Deal window?

A. A separate window is provided by the Exchange for executing block deals i.e. trades having value greater than or equal Rs. 10 crores, executed through Block deal window.

2. What are timings to enter Block Deal at BSE?

A. Block deal windows shall be available on all trading days in Equity segment. The traders are allowed to enter the Block Deal Orders only during the block deal window as given below.

Morning Block Deal Window: This window shall operate between 8:45am to 9:00am.

Afternoon Block Deal Window: This window shall operate between 2:05pm to 2:20pm.

3. What is the Block Reference Price?

A. The BRP (Block reference Price) is a reference price for execution of block deal -

- **Morning Block Deal Window:** The reference price for execution of block deals in this window shall be the previous day closing price or adjusted previous close price (on account of corporate action) of the security. If security is not traded on the previous day then the latest available close price shall be considered.
- **Afternoon Block Deal Window:** The reference price for block deals in this window shall be the volume weighted average market price (VWAP) of the trades executed in the stock in the cash segment between 1:45pm to 2:00pm. If no trades have been executed between 1:45pm to 2:00pm, then VWAP of the trades executed between 9:00am to 1:45pm shall be considered as the reference price. Further, if no trades have been executed between 9:00am to 1:45pm, then previous close price of that security shall be considered as the reference price.

4. What is the applicable price range or price limits for block deal order?

A. The orders placed shall be within $\pm 1\%$ of the applicable Block reference price.

5. What is the minimum Order size for Block Deal?

A. The minimum order value for Block deal shall be Rs.10 Crore. There shall be no specific requirement of minimum order quantity applicable for a block deal.

6. What will be the treatment for unmatched / outstanding orders of Block Deal window?

A. All unmatched orders of both block deal windows (first & second sessions) shall be cancelled. Unmatched orders of morning block deal window session shall not be carried forward to the afternoon block deal window session

7. What will happen to Block deal window in case of index-based market-wide circuit breaker?

A. If index-based market-wide circuit breaker is triggered during or before the second block deal window such that it is overlapping the VWAP timings (1:45pm to 2:00pm) or second session (2:05pm to 2:20pm) either completely or partially, then the second block deal window will not be conducted on that trading day.

8. How to place block deal in BOLT TWS system?

A. BOLT TWS user can place normal order by using "Block Deal" button (Alt + B) in order entry window.

9. How to recognize a block deal order on the BOLT TWS?

A. Block Deal orders are displayed in the pending order window with 'K' appended at end of Order Id.

10. Can one enter market order as block deal order?

A. No, only limit order is allowed.

11. How does order matching happen for block deal orders?

A. For block deal order to get traded, the quantity and rate should be exactly the same as opposite-side block deal order. Block deal orders will be matched against the counter block deal order entered on the same scrip with same quantity and rate. Block deal order remains valid in the system for 90 seconds only, after which it gets killed if it remains unexecuted.

Order matching

Case 1: Example

1. Buy block deal order of 100000 quantity @1000 price in scrip XYZ.
2. Sell block deal order of 100000 quantity @1000 price in scrip XYZ.

In above case, buy block deal order will match with the sell order as the quantity and rate of both the orders are same.

Case 2: Example

1. Client ABC enters buy block deal order of 100000 quantity @1000 price.
2. Client WYZ enters sell block deal order of 50000 quantity @1000 price.
3. Client PQR enters sell block deal order of 50000 quantity @1000 price.

In above case, buy block deal order will not match with either of the sell orders as the quantities do not match although rate is same.

12. Can block deal orders be partially traded?

A. No, block deal orders cannot be traded partially. If not traded fully, the order is cancelled.

13. Is order modification /deletion allowed for block deal orders?

A. Only Rate, Quantity & Client code modification is allowed. Modification of other order attributes such as retention type, conversion from limit to market is not allowed. However, trader can delete pending block deal order and can re-submit fresh order.

14. How can a member restrict his traders from placing Block Deal order through BOLT TWS?

A. Member can restrict his traders from placing block deal through 'Trader Entitlement & Client Profiling' feature available in TWS admin terminal (0 or 200 trader ID), if this is not set, all traders of BOLT TWS shall have default rights to place block deal order. Kindly refer Exchange circular number 20161130-20 for more details on Trader Entitlement and client profiling feature.

15. Can the block deal order be entered for any client type?

A. Yes, block deal order can be entered for any client type.

16. Can a trader enter revealed quantity / stop loss /odd lot orders for block deal?

A. No, a trader cannot enter revealed quantity/stop loss/odd lot orders for block deal.

17. Order Level limits applicable for placing block deal order through BOLT TWS?

A. Yes, order level limits set from RTRMS system from ZT (zero Terminal) → All Trade Limit (Equity) option are applicable for block deal orders similar to any other regular order.

18. What are the Exchange transaction charges, service taxes and STT for Block Deal trades?

A. Exchange transaction charges, service tax and STT shall be charged on block deal transactions on similar lines as being charged on other delivery based transactions.

19. How does reporting & information dissemination happen for block deal trades?

A. Exchange provides an indicative report of block deals to trading members (those which have executed the block deal trades respectively) on a daily basis after market hours between 4:30 P.M. & 5.00 P.M through Extranet (Exceptions-file may be delayed due to technical or other reasons). Block deal file name is “BLOCKDDMMYY” Further, members should verify each and every record in the file downloaded.

In case of any mismatch, trading members should email the entire block deal details to the Exchange on email ID- **trading.ops@bseindia.com** with corrections within 30 minutes from the time the indicative block deal report is downloaded.

If no mismatch is reported by member to the Exchange, data downloaded will be considered for dissemination on the Exchange’s website directly.

In case member has not executed any block deal during a trading day then member will still continue to receive the NIL BLOCK file at the EOD.

T day Block Deal trades are available on BSE website under path mentioned here (Home-->Markets-->Equity--> End of Day Reports -->Bulk Deals / Block Deals)

Historical Block deal details are available on BSE website under path mentioned here (Home-->Markets-->Equity-->Historical Data-->Bulk Deals / Block Deals).

20. Is a block deal trade used in the calculation of market picture data?

A. Block deal trade is considered for updating total traded quantity, turnover value and number of trades. However, block deal trades are not considered for updating of LTP, LTQ, opening price, high price, low price, close price and volume weighted average price (VWAP).

21. What happens to block deal order if member is moved to Risk Reduction Mode (RRM)?

A. If member moved to RRM, all pending orders including block deal order are cancelled and returned to the trader.

22. How can trader enter block deal orders through batch order window in BOLT TWS?

A. Traders can download CSV format by using “SAVE” option in batch order screen in BOLT (Shift + F2). Trader can submit block deal orders by uploading CSV file keeping order type as “K” along with other details as mentioned in CSV format.

Format for CSV upload file is given below.

Buy/Sell	Qty	Rev.Qty	Scrip Code	Rate	Short/Client ID	Retention Status	Client Type	Order Type [for block order]
[B/S]				[In paisa]		[EOTODY or EOSESS]		K

In the CSV format, “Rev Qty” field is optional.

23. Is Self-trade prevention check (STPC) applicable for Block Deal Order?

A. No, STPC is exempted for the Block Deal Order.

24. Is Block deal allowed on Periodic Call Auction Session (PCAS) scrips?

A. No, Block orders are not allowed on PCAS scrips.

25. Is Block deal window available new listing (IPO) securities?

A. Yes, for new listings i.e. for IPO securities, afternoon block deal window shall be applicable. Block reference price for afternoon window i.e. VWAP of trades between 1.45pm to 2.00pm shall be applicable these securities. If no trades have been executed between 1:45pm to 2:00pm, then VWAP of the trades executed between 9:00am to 1:45pm shall be considered as the reference price. Further, if no trades have been executed between 9:00am to 1:45pm, then the reference price shall be the issue price of the security.

26. Is Block deal window available for Relisted securities?

A. Yes, for relisted securities, the afternoon block deal window shall be applicable, subject to price discovery in the special pre-open session (SPOS). Block reference price for afternoon window i.e. VWAP of trades between 1:45pm to 2:00pm shall be applicable for the relisted securities. If no trades have been executed between 1:45pm to 2:00pm, then VWAP of the trades executed between 9:00am to 1:45pm shall be considered as the reference price. Further, if no trades executed between 9:00am to 1:45pm, then afternoon block deal window shall not be applicable for such securities.

27. Is Block deal window available for six lac series?

A. Yes. If a member wants to trade in six lac series then he can place order within +/- 1% of Block reference price of six lac series which is same for five & six lac series.

28. In case of Block deal order entry in six lac series sell side client type must be FPI & buy side client type must be Institution?

A. Yes. BSE notice no. 20140120-23 dated 20 th January 2014

(However, NRI as a client type is allowed to buy or sell in six lac series only if the six lac series pertains to private sector banks & subject to RBI regulations.)

29. Is single order value check of Rs.10 cr. applicable for block deal order?

A. No, single order value check of Rs.10 cr. is not applicable for block deal order. A trader can enter block deal orders having order value higher than Rs.10 cr.

B. Clearing and Settlement

1. How is the block deal trade settled?

A. All the block deal trades, have to be settled on a trade-to-trade basis (e.g. as trades are settled in "T" Group). Every trade executed must result in delivery and cannot be squared off or reversed.

2. Is 6A/7A facility available for settlement of block deal transactions?

A. Yes.

3. What margins are applicable for block deals transactions?

A. In case of Non Institutional client types, upfront scrip level VaR & ELM margin as currently applicable in the normal market segment will be applicable for block deal transactions. In case of Institutional client types, such margins will be levied on T+1 day.

4. Is early pay-in of Fund or early pay-in of Securities facility allowed by Clearing Corporation of Exchange (ICCL) of Exchange for executing Block deals?

A. Yes, members can opt for early pay-in of Funds or early pay-in of Securities facility for Block Deal transactions as applicable in the normal market segment and avail of upfront margin benefits.

C. Technical

1. How member can enter block deal order using third party trading platform of empaneled vendors or in-house developed systems connected through IML/ETI API?

A. All Trading members using In-house developed or BSE empaneled Vendor trading application can enter Block deal order by developing block deal messages / structures mentioned in the IML /ETI API

2. How can IML API user enter and identify block deal transactions?

A. IML user can enter block deals via message type 1071 for Buy Block Deal Order and message type 1072 for Sell Block Deal Order while entering orders.

When a trade occurs, user identifies the type of trade as Block Deal by checking the 'Transaction type' field value as 'K' within the sub-structure of the Trade confirmation message.

Separate message types have been provided in IML for each of the actions – addition / modification /deletion of Block Deals in order to avoid message conflicts, reduction in latency as well as providing convenience to track log files in case of issues.

The below message types mentioned are used for specific actions performed on Block Deals.

1071 – Add Buy Block Deal

1072 – Add Sell Block Deal

1073 – Update Buy Block Deal

1074 – Update Sell Block Deal

1075 – Delete Buy Block Deal

1076 – Delete Sell Block Deal

Similarly, IML API user can use 1025 message structure for placing Block Deal Order.

3. How can ETI API user enter and identify block deal transactions?

A. Through ETI API, following message types can be developed for placing block deal orders -

10100 - Add Buy/Sell Block Deal

10106 - Update Buy/Sell Block Deal

10109 - Delete Buy/Sell Block Deal

4. How can API user identify the Block reference price?

A. The block reference price will be a part of market picture Broadcast message.

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