

**NATIONAL STOCK EXCHANGE OF INDIA LIMITED**

<b>DEPARTMENT : FUTURES &amp; OPTIONS</b>	
Download Ref No : NSE/FAOP/32649	Date : June 24, 2016
Circular Ref. No : 54/2016	

All Members,

**Prevention of Self-Trade**

This is further to Exchange Circular Reference No. NSE/FAOP/30625 regarding “Prevention of Self-Trade” dated August 28, 2015.

Based on members’ feedback and to strengthen the Self-Trade Prevention Mechanism further, the applicable provisions are being revised. Members are requested to kindly take note of the following:

- Member shall have option to stipulate at the time of order entry whether to cancel passive order or active order resulting in self-trade
- If an active order is likely to match with a passive order belonging to the same member-client or same member-proprietary combination in the same order book, then 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”
- The mechanism shall be applicable to Proprietary (PRO) and Client (CLI – including custodial participant CP) orders.
- The mechanism shall be applicable only during matching. Member shall take due precaution to prevent self-trade while performing trade modification.

The above provisions would be effective from **July 11, 2016**.

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

**Khushal Shah  
Chief Manager**

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