

**NATIONAL STOCK EXCHANGE OF INDIA LIMITED
FUTURES & OPTIONS SEGMENT
CIRCULAR**

Circular No: NSE/F&O/0145/2005

Download No: NSE/FAOP/6553

Date : August 24, 2005

Dear Members,

Sub: Scheme governing use of facility relating to Computer to Computer (CTCL) trading / Internet based Trading

National Stock Exchange of India (NSE) offers a facility to its members by which members are allowed to use their own trading front-end software in order to trade on the NSE trading system (NEAT). Members wishing to avail of the CTCL facility are required to submit an undertaking in the specified format.

However, with an objective to facilitate orderly use of CTCL facility and to consolidate various conditions and / or requirements governing the use of CTCL facility, it has been decided to replace the existing undertaking with a new comprehensive scheme containing various conditions and /or requirements.

Trading members applying for CTCL facility are required to give us an undertaking stating that they will abide by all the conditions and / or requirements mentioned in the comprehensive scheme governing use of facility relating to Computer to Computer (CTCL) trading / Internet based trading.

List of documents enclosed as per below mentioned table:

Particulars	Annexure No.
Undertaking to be given by the trading members applying for CTCL / IBT trading facility.	1
Comprehensive scheme governing use of facility relating to Computer to Computer (CTCL) trading / Internet based trading	2
Checklist of documents to be submitted alongwith application for CTCL facility.	3
Checklist of documents to be submitted alongwith application for Internet Based trading facility.	4
Application form for permission for provision of CTCL based trading services.	5
Reference points while developing in-house CTCL software.	6

Trading members may also note that the list of various circulars issued by operations dept. pertaining to CTCL / IBT trading facility are as follows :

Circular Date	Reference No.	Particulars
24-Aug-00	NSE/F&O/1876	Computer to Computer link (CTCL) Facility
28-Jan-03	NSE/FO/3895	Free Release of NNF document to members and revision of fee/charge on CTCL
22-Aug-03	NSE/FO/4350	Affidavit –Cum – Undertaking for use of Computer to Computer (CTCL) Trading
30-Sep-03	NSE/FAOP/4454	Computer to Computer link (CTCL) Trading
6-Nov-03	NSE/FAOP/4542	Proprietary account trading
9-Jan-04	NSE/FAOP/4720	CTCL facility / Internet based trading services
13-Jan-05	NSE/FAOP/5760	Uploading of CTCL Details
2-Feb-05	NSE/FAOP/5806	Uploading of CTCL Details
10-May-05	NSE/FAOP/6129	System Audit requirement for CTCL / Internet based trading facility
1-Jul-05	NSE/FAOP/6344	Norms for client passwords for Internet based trading services
15-Jul-05	NSE/FAOP/6387	Guidelines for developing in house software for CTCL / Internet based trading facility

Henceforth, use of CTCL facility by all the trading members shall be subject to and governed by the provisions contained in this scheme and / or any amendments thereof that may take place hereafter.

For National Stock Exchange of India

Latika S Kundu
Manager – F&O Trade

Annexure 1

(Note: Document to be stamped for Rs.300/- or the value prevailing in your State, whichever is higher. Please execute document on Non-Judicial stamp paper/s or on paper franked from Stamp Office/authorised banks)

CTCL UNDERTAKING

I / We _____, an individual / a firm registered under the Indian Partnership Act, 1932 / a Company / body corporate incorporated under the Companies Act of 1956 / _____ Act, 19____, and residing at / having our registered office at _____ (hereinafter referred to as the '**Undersigned**' which expression shall unless repugnant to the context include his / its successors, assigns and legal representatives) give this Undertaking IN FAVOUR of **NATIONAL STOCK EXCHANGE OF INDIA LIMITED**, a company incorporated under the Companies Act, 1956 and having its registered office at Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 (hereinafter referred to as '**NSEIL**' which expression shall unless repugnant to the context include its successors, assigns and legal representatives)

1. **WHEREAS**, NSEIL provides inter alia a Computer To Computer Link (hereinafter referred to as the "CTCL facility" as well as facility to use internet) by which NSEIL provides a facility to its Trading Members to access the trading system of NSEIL.
2. **WHEREAS**, NSEIL makes available the CTCL / Internet based trading facility to its Trading Members on case to case basis, subject to such terms and conditions as NSEIL specifies from time to time in the Scheme Governing the use of facility relating to CTCL / Internet based trading (hereinafter referred to as the "CTCL scheme") and one of the conditions is that each trading member willing to avail of the CTCL / internet based trading facility shall execute an undertaking in favour of NSEIL in the format prescribed by NSEIL and agree to abide by any modifications / additions to the scheme of CTCL effected by NSEIL from time to time.
3. **WHEREAS**, I/We have been admitted to the Trading Membership of NSEIL, and am/are desirous of availing of the CTCL / Internet Based trading facility by fulfilling all the terms and conditions as may be prescribed by NSEIL from time to time at its discretion in this regard.

NOW THEREFORE IN CONSIDERATION OF NSEIL having agreed to allow the Trading Member at his / its request, to avail of the CTCL facility, the Trading Member hereby **IRREVOCABLY AND UNCONDITIONALLY UNDERTAKES** and agrees to abide by and be bound by the following terms and conditions:

1. That I/We shall abide by, comply with and be bound by the Rules, Bye-laws, Regulations and CTCL scheme of NSEIL as in existence or as may be modified / amended by the relevant authority from time to time and any circular, order, direction, notice, instructions issued and / or as maybe modified or amended from time to time by the relevant authority;
2. That NSEIL shall be entitled to amend its Rules, Bye Laws, Regulations and CTCL scheme unilaterally and I/We shall be deemed to have consented to them, and accordingly be bound by the Rules, Bye-laws, Regulations and CTCL scheme prevailing from time to time and NSEIL shall be entitled to all powers vested in them under the Rules, Bye-laws and Regulations, by which I/We unconditionally agree to be bound;
3. That I/We shall execute, sign, subscribe, to such documents, papers, agreements, covenants, bonds and / or undertakings whether legal or otherwise as maybe required by NSEIL from time to time.
4. That without prejudice to the rights, remedies whether legal or otherwise available to NSEIL upon my / our non-compliance with this Undertaking, I/We shall indemnify and keep indemnified NSEIL against any loss / damage suffered by it whether legal or otherwise arising due to non-compliance by me/us with the provisions of this Undertaking.
5. The above undertaking will be binding on my / our successors and permitted assignees.

IN WITNESS WHEREOF this Undertaking is executed by me / us (*in terms of the resolution passed by the Board of Directors at the duly convened meeting held on _____) on the day, month, year and the place first mentioned above

(*I / We or me/us or my / our delete whatever is inapplicable)

SIGNED and DELIVERED by the within named _____)

_____, *for and on behalf of _____)

In the presence of Witnesses _____)

1. _____ (Name & Address))

2. _____ (Name & Address)).....

Annexure 2

SCHEME GOVERNING USE OF FACILITY RELATING TO CTCL / INTERNET BASED TRADING

With an objective to facilitate orderly use of CTCL facility and to make various conditions and / or requirements governing the use of CTCL facility in a transparent manner and to have its due and strict compliance, the scheme containing various conditions and / or requirements is formulated as under:

For the purpose of this scheme,

'CTCL facility' shall mean and include use of software, which has been developed and maintained by a vendor / member duly empanelled with the Exchange, for the purpose of using CTCL by a member to access the trading system of the Exchange.

1) PRE-REQUISITES FOR OBTAINING PERMISSION FOR CTCL FACILITY

- 1.1 In pursuance to the application made in the form as maybe prescribed by the Exchange for CTCL and / or internet based trading facility by any member, the member shall deemed to have agreed by the provisions mentioned in the scheme hereunder, and the amendments made thereto by the Exchange from time to time.
- 1.2 A member shall produce the proof, wherever applicable, relating to approval obtained under (1.4) to the Exchange to facilitate the Exchange to extend the CTCL facility. The member shall also ensure that the activity carried out through use of the CTCL facility is strictly in accordance with the approved network diagram and the requirements specified by the Exchange / DOT

and / or MTNL and / or other appropriate government / statutory authorities.

- 1.3 A member who intends to develop and maintain software to support CTCL facility to be approved by the Exchange shall pay one time fee towards the receipt of the technical specifications (message formats / protocol etc.) and a recurring annual fee as may be prescribed by the Exchange from time to time. For the financial year 2005-2006, the one time fee and recurring annual fee are Rs. One lac fifty thousand and Rs. Fifty thousand respectively. For the purpose of calculation of recurring charges, the financial year shall be considered as the basis for the year. The charges (one time charge and recurring charge for the first year) shall be payable at the time of lodging an application for the CTCL facility with the Exchange. The recurring charges shall be apportioned on a pro-rata basis for the financial year from the day on which the application is received.
- 1.4 A member shall, at its own expense and except VSATs, provide all lines, cabling, hardware, equipment and other communication facility required for transmission of the data between the receiving premises and the server installed at the member's office/s and also obtain the necessary approval in writing from relevant authorities.
- 1.5 A member shall pay license fee / charges / royalty as may be levied by DOT / MTNL / Exchange / any other government / statutory authorities from time to time.
- 1.6 A member shall ensure that the telecommunication network used by the member shall be as per the requirements specified

by the Exchange / DOT / MTNL / any other government / statutory authorities from time to time.

- 1.7 A member shall submit an acceptance certificate in the form as may be specified by the Exchange from time to time as the condition precedent for the purpose of permitting use of CTCL facility by the Exchange, after completing necessary test and fully satisfying the Exchange that the CTCL facility is fault-free.

2) **CONTINUED PERMISSION REQUIREMENTS**

- 2.1 A member shall make the CTCL facility available to any approved person only after obtaining prior written permission of the Exchange and such permission shall be subject to such conditions and / or requirements as may be stipulated by the Exchange from time to time.
- 2.2 A member shall ensure that no CTCL facility is extended to any user / person unless such user / person has passed a NCFM and / or equivalent certification program of the appropriate modules.
- 2.3 A member shall upload the details relating to the approved persons in the format prescribed by the Exchange from time to time before extending facility of use of CTCL to any approved person. The member shall also upload details of any change in any of the details relating to use of the CTCL facility and / or the approved person.
- 2.4 A member shall ensure that directly and / or indirectly 'no view only terminal' and / or trading terminal is provided to any other person / office / premises / address in contravention with any of the provisions contained in the Bye-laws, Rules, Regulations,

and Circulars relating to requirements concerning location of CTCL terminals and usage thereof.

- 2.5 A member shall take all necessary steps to ensure that branches and/or their sub-brokers have not provided any extension of CTCL facility connected through VSAT/Leased Line with the Exchange by means of any connectivity viz. dial up / Leased Line / ISDN / Wireless media / other mode without prior uploading of the user details with location.
- 2.6 A member shall be responsible and shall take all such steps / actions and put in place requisite mechanism to ensure and keep ensuring that no approved person, in any way, is able to make the CTCL facility further available to any other person nor shall the CTCL facility is extended outside the premises for which details are uploaded to the Exchange. In case any member fails to strictly adhere to these requirements, the Exchange may, at its discretion, take such action as it may deem fit, which may include immediate withdrawal of the CTCL facility either in part or in full, without any notice / reference to the member, and such disciplinary action against the member.
- 2.7 A member shall use the physical connection / link provided for the purpose of having simultaneous access to both the CTCL facility and the NEAT trading system.
- 2.8 A member and their branches and/or their sub-brokers shall execute any of the orders received from any of their constituents only in the respective name / client code of the constituent and no order received from any of the constituents shall be executed under PRO code and / or under other client code.

- 2.9 A member shall not, under any circumstances, either through the software or otherwise, match any of the orders entered by his / its approved persons from the terminals extended by such member and that the member shall ensure to route all the orders, entered by his / its approved persons, to the trading system of the Exchange where such orders can be matched by the centralized computer trading system of the Exchange.
- 2.10 A member shall ensure to put in place a system based control on the trading limits and / or exposure taken in respect of all his / its clients and adequate system control for setting pre-defined limits on the exposure and turnover for each of the clients. The system should also be capable of assessing risk of a client as soon as any order is received by the system for processing it for execution. Acceptance / rejection of any order shall be intimated to the respective clients within a reasonable period. Reports relating to margin requirement, payment and delivery obligations etc shall be informed or made available to the clients through the system.
- 2.11 A member shall not advertise or use any software / program which may directly or indirectly facilitate matching of orders between or among two or more clients by way of grouping or otherwise. The CTCL facility being used by a member shall have inbuilt feature of pushing in all the orders, entered by any of the approved persons only through the CTCL server of the member for which in turn will push such orders to the trading system of the Exchange, the purpose of execution.
- 2.12 A member shall not develop and/or use any software / program which shall either directly or indirectly facilitate automated

trading without prior written permission of the Exchange. The term "Automated Trading" shall mean and include any software or facility by the use of which, upon the fulfillment of certain specified parameters, without the necessity of manual entry of orders, buy/sell orders are automatically generated and pushed into the trading system of the Exchange for the purpose of matching.

- 2.13 A member shall be responsible to settle all the trades executed by any approved person through the use of the CTCL facility, whether such trades were executed with or without the knowledge of the member and that the member shall be bound to honour / comply / fulfill all the obligations / liabilities / commitments arising out of and / or in connection with the trades executed by the approved person/s as if such trades were done by the member and / or permitted by the member.
- 2.14 A member shall maintain all systems logs and make the same available for inspection at the discretion of, and demand by, the Exchange at any time.
- 2.15 A member shall ensure to undertake periodic audit of their CTCL / Internet based trading systems at such time intervals and from such qualified persons as may be directed by the Exchange from time to time and submit a certificate duly issued by such qualified person to the Exchange within the time as may be stipulated by the Exchange.
- 2.16 A member shall ensure to carry out necessary changes in the CTCL facility used for accessing the trading system of the Exchange, within such time as may be intimated by the Exchange, from time to time. No modification of any part of the

software has been / will be effected without prior written permission of the Exchange.

- 2.17 A member shall not develop / use any software for accessing the trading system of the Exchange, whether through the CTCL mode or otherwise, which software, in the opinion of the Exchange, may resemble and / or result and / or may give appearance of NEAT software in any manner.
- 2.18 A member shall not assign and / or otherwise transfer any one or more rights and / or obligations relating to the use of the CTCL facility, without prior written permission of the Exchange.
- 2.19 A member shall not use, without prior written permission of the Exchange, the name of the Exchange to directly and / or indirectly promote his / its business.
- 2.20 A member shall ensure that the CTCL facility is flexible for effecting any changes at a short notice and has inbuilt functionalities / features in respect of online surveillance, trade by trade position monitoring and other risk management aspects.
- 2.21 A member shall treat, as confidential, all information obtained from the Exchange pursuant to this scheme and shall not divulge such information to any person (except employees of the member who need to no such information) without prior written permission from the Exchange and that the member shall ensure that all his / its employees are aware by and strictly comply with this requirement without exception. It is clearly understood that the forgoing obligation as to confidentially shall

survive any termination of the availability of use of the CTCL facility envisaged under this scheme.

- 2.22 A member shall not, either by himself / itself and / or through any person acting on his / its behalf issue / release / publish any advertisement, brochure / pamphlet / booklet, notice or any other promotional material on any aspect relating to the use of the CTCL facility, in any form, whether written or otherwise, except in accordance with the code of advertisement as may be prescribed by the Exchange from time to time and after prior written permission of the Exchange.
- 2.23 Any declaration and / or notice required to be given by any member to the Exchange shall be sent by registered letter or facsimile transmission or at e-mail address specifically provided by the Exchange for this purpose.
- 2.24 Besides the conditions and / or requirements as may be stipulated under clause (2.1) by the Exchange, all the provisions contained in the Bye-laws, Rules, Regulations and Circulars relating to use and operation of the NEAT trading system shall mutatis mutandis be applicable to the use and operation of the CTCL / facility.
- 2.25 A member shall ensure that the guidelines issued by SEBI in relation to internet based securities trading and services are strictly adhered to, more particularly relating to
- 2.25.1 Any system used by a member shall have necessary provision for security, reliability and confidentiality of data through the use of suitable encryption technology;
 - 2.25.2 Maintaining adequate backup systems and data storage capacity by a member besides putting in place

alternative means of communication in case of failure in internet connectivity / link;

2.25.3 Sending order / trade confirmation to the investor through email at client's discretion at the time period specified by the clients in addition to the other mode of display of such confirmation on real time basis on the website of the member. The investor shall be allowed to specify the time interval on the website within which the investor would like to receive the confirmation through email. Facility of reconfirmation of orders which are larger than that specified by the member's risk management system shall be provided on the internet based system.

2.26 A member shall ensure that the following security measures are inbuilt in the software / system:

2.26.1 User Id.

2.26.2 First level password (Private code).

2.26.3 Automatic expiry of passwords at the end of reasonable duration. Reinitialise access on entering fresh password.

2.26.4 All transaction logs with proper audit facilities to be maintained in the system.

2.26.5 Secured Socket Level Security for server access through internet.

2.26.6 Suitable Firewalls between trading set-up directly connected to an Exchange trading system and the Internet trading set up.

2.26.7 Integrating any advanced level security as specified by NSE / SEBI from time to time.

2.26.8 Adherence to the following systems operations procedure :

- 2.26.8.1 Follow identical logic / priorities used by the Exchange to treat client orders.
 - 2.26.8.2 Maintain all activities / alerts log with audit trail facility.
 - 2.26.8.3 Unique numbering generation by the Web-server for all clients orders / trades.
- 2.27 The member shall follow and comply with such orders or instructions including any such order or instruction, as may be issued by the Exchange or any committee of the Exchange duly constituted for the purpose, in the event of the member committing any violation of any Rules, Bye Laws, regulation, CTCL scheme or practice or code of conduct prescribed by the Exchange in respect of the conduct of the business in the Exchange and those maybe in force from time to time.

3) RIGHTS OF THE EXCHANGE

- 3.1 The Exchange may, at its discretion, make the CTCL facility available from any location, as may be notified by the Exchange from time to time (hereinafter referred to as the "receiving premises"), to a member, and the member shall be responsible and required to establish connectivity with such receiving premises at his cost.
- 3.2 The Exchange may, at its discretion, make the CTCL facility available to the member upto such time as the Exchange may deem fit and that the CTCL facility may, at any time, be withdrawn, at its discretion by the Exchange, without giving any notice / reference to the member and / or reasons whatsoever.
- 3.3 The Exchange shall, at its discretion, have an absolute right to inspect the software used by any member either in his / its own

office and / or extended such facility at any other location, at any time and without prior notice.

- 3.4 A member shall render and / or shall cause to render all possible assistance and cooperation to the official of the Exchange by providing access to any kind of information in any form as such official may require at any location whether details of such location are uploaded or not, and shall produce such documents, records, accounts, books, data etc, howsoever stored, including data stored in magnetic tapes, floppy diskettes etc., and provide any other information as may be required by the Exchange.
- 3.5 Without prejudice to any other right under any law for the time being in force or which may become applicable at any time, the Exchange shall have the exclusive right to take, at its discretion, such actions, steps, measures, proceedings, decisions within such period of time and upon such conditions and / or requirements as the Exchange may deem fit upon any member non-complying and / or delaying in compliance and / or failing to comply with any of the conditions and / or requirements contained in this scheme and / or amendments thereto or upon suspension or termination of any member on any account whatsoever. It is understood that such actions, steps, proceedings, decisions may interalia include immediate withdrawal of use of CTCL facility accessing the trading system of the Exchange, without notice / reference to the member and / or such disciplinary action as the Exchange may deem fit and that the member shall abide by and be bound by such actions, steps, measures, proceedings, decisions as may be initiated by the Exchange from time to time.

3.6 No forbearance, delay or indulgence by the Exchange in enforcing any of the conditions and / or requirements contained in this scheme and / or amendments thereto and / or under the Bye-laws, Rules, Regulations and Circulars, shall prejudice and / or restrict the rights of the Exchange nor shall any waiver of the right of the Exchange operate as a waiver of any subsequent breach. No right, power or remedy herein conferred upon or reserved for the Exchange is exclusive of any other right, power or remedy available to the Exchange and that each such right, power or remedy shall be cumulative.

3.7 The Exchange has and shall have an absolute right to add, modify, amend and / or delete any of the conditions and / or requirements contained in this scheme and such additions, modifications, amendments and / or deletions shall be applicable and come into force as may be notified by the Exchange from time to time and that every member and / or every approved person associated with the member shall abide and / or be bound by such additions, modifications, amendments and / or deletions as if such additions, modifications, amendments and / or deletions are part of this scheme.

4. **GENERAL**

4.1 Non-Exclusivity

The CTCL facility made available to any member by the Exchange shall be on a non-exclusive basis and shall be available only at the discretion of the Exchange.

4.2 Notice of withdrawal by member

4.2.1 A member may be entitled, by giving one month's written notice, to request the Exchange to withdraw the CTCL

facility. Such withdrawal shall be subject to such conditions and / or requirements as may be stipulated by the Exchange, including payment of such amount to and / or by the Exchange, as may be decided by the Exchange at its discretion.

4.2.2 A member is aware that the Exchange is the absolute owner of the proprietary rights in respect of the APIs entrusted to the member for the purpose of developing the software and that he shall not duplicate, sell, assign, license or part in any other mode and / or method for consideration or otherwise and / or transfer the APIs to any third party any time.

4.2.3 A member is aware that in case the Exchange rejects the application for developing software for availing the CTCL facility or the member withdraws the application for developing the software, the member shall return immediately, without any demur, the APIs to the Exchange.

4.2.4 The member shall forthwith inform the Exchange in writing as and when any notice is received by the member in connection with any institution of winding up proceedings against the member and that the member shall inform the Exchange in writing before the member initiate any winding up proceedings to be wound up. The member further undertakes, that it shall inform the Exchange in writing on the onset of any circumstance which is likely to or may render the member to be wound up or which is likely to or may render the member liable to be subject to winding up proceedings.

4.3 Indemnifying the Exchange

A member shall be deemed to have indemnified and keep indemnified the Exchange harmless against every and all claims, demand, damages, liabilities, losses and / or expenses suffered by such member directly by reason of the use and / or non-use of the CTCL facility by any member / approved person and / or by reason of any member / approved person not complying with and / or delaying in compliance with and / or failure in compliance with and / or contravening with any of the conditions and / or requirements contained in this scheme and / or amendments thereto, including in relation to the proprietary rights of API vested in the Exchange .

4.4 No warranty by the Exchange

A member agrees and is fully aware that the Exchange does not, in any manner, warrant that the use of the CTCL facility, accessing the trading system of the Exchange, will be error-free and / or uninterrupted.

4.5 No liability to the Exchange

The Exchange shall not, in any way, be responsible for development, maintenance, updates, upgrades, error fixes or any other support to the software being used for CTCL facility by any member and shall not be liable for any loss suffered by any member due to the use of software for extending the CTCL facility.

Also, the Exchange shall, in no way, be liable for any direct and / or indirect damage, costs, claims and / or expenses whatsoever, in connection with

4.5.1 Mechanical or electrical or telephone or network breakdown or power failure or malfunction of any of the

servers or auxiliary equipment used by a member and / or any other cause beyond the reasonable control of the Exchange.

4.5.2 Special direct / indirect economic or consequential loss or damage including, but not limited to loss of profit, business revenue, opportunity costs, goodwill or anticipated saving.

4.5.3 Any event of a force majeure.

For the purpose of this clause, "Force Majeure" means and includes wars, insurrections, revolution, fires, floods, epidemic quarantine restrictions, declared general strikes in relevant industries, Act of God, Act of the Government of India and / or any concerned State Government and any such other acts or events beyond the control of the Exchange. Further, this will not be prejudicial to the rights already accrued to the Exchange due to failure by any member to perform either in full or in part any of the obligations prior to the occurrence of the event of Force Majeure.

4.6 No guarantee

It is clearly understood that neither the Exchange nor the directors, managers, officers, employees or agents of the Exchange guarantee the functioning of the CTCL facility nor uninterrupted connectivity to the trading system of the Exchange. The Exchange and the directors, managers, officers, employees and agents of the Exchange shall not be, in any way, liable to any member and / or his / its approved person or to any other person for any problem in performance or interruption of CTCL facility or for any damages, consequential or otherwise, arising therefrom or occasioned thereby. No proceedings shall be issued by any member / approved person / third party

against the Exchange or against any of the directors, managers, officers or employees of the Exchange for any act of commission or omission done in discharge of official functions.

4.7 Applicability of this scheme

This scheme shall be applicable not only to the information services and terminal equipment already offered by any member to any approved person but shall also be applicable to any information services and terminal equipment that may be developed by any member in future, even if any member has either altered and / or intends to alter mode of supplying information to any approved person, except where the member has obtained permission, in writing, for such alteration with complete details, from the Exchange.

Annexure -3

**CHECKLIST OF DOCUMENTS TO BE SUBMITTED ALONGWITH APPLICATION
FOR CTCL FACILITY**

Sr. no.	Particulars
1	Prescribed Undertaking executed on Rs 300 stamp paper
2	Stamp paper issued in name of member
3	Undertaking is executed within 6 months of date of stamp paper purchase
4	All pages of undertaking are duly notarized.
5	Board Resolution is attached.
6	Persons as authorized by board resolution have signed the undertaking.
7	Empanelled vendor's confirmation letter is attached.
8	Duly notarized network diagram is attached.

Annexure - 4**CHECKLIST OF DOCUMENTS TO BE SUBMITTED ALONGWITH APPLICATION
FOR INTERNET BASED TRADING FACILITY**

Sr. no.	Particulars
1	Application is executed on letter head
2	Net worth certificate is attached (for the last financial year ended and / or half year ended, whichever is later)
3	Net worth mention in the application is per certificate attached
4	Certificate on backup system and data storage
5	Network Diagram enclosed
6	Comprehensive write up on internet trading system
7	Application signed by authorized signatories.
8	Annexure 1 of Internet based trading executed on letterhead of empanelled vendor
9	Annexure 1 has been signed by vendor and countersigned by member
10	SSL certificate is attached
11	Name of url on website is tallying with SSL certificate
12	NCFM certificates enclosed for all employees named in the application

Annexure - 5

Application form for permission for provision of CTCL based trading services

(To be given on letterhead of the Member)

Date:

To
The CTCL Department
National Stock Exchange of India Ltd
Bandra Kurla Complex
Mumbai – 400 051

Sub: Conversion of user id from NEAT to CTCL

Please convert the following user id from NEAT to CTCL

Segment	TM Code	TM Name	User id	VSAT / LL	“Pro” trading facility enabled *
					Y/N

I confirm that that the above id is a Dealer id (not a Branch Manager or Corporate Manager id) and that there is no other CTCL id on the above mentioned Vsat / leased line.

We are also attaching a confirmation letter from NSEIL empanelled vendor M/sto activate the id for CTCL / Internet based trading.

Regards,

Sd/

Proprietor / Partners / Director

* In case of user id enabled for “proprietary account trading” please attach an undertaking as per our Circular No NSE/F&O/0059/2003 dated November06,2003.

REFERENCE POINTS WHILE DEVELOPING CTCL SOFTWARE

A	Order Management
1	Order entry- attributes
2	Book Types
3	Order confirmation
4	Order status
5	Order modification
6	Order cancellation
7	Outstanding orders
8	Order history / reports
B	Trade management
1	Trade confirmation
2	Trade Reports
3	Trade modification
4	Trade cancellation
C	Risk Management
1	Order quantity limit
2	Order value limit
3	Security wise order qty. & value limit
D	Auctions & Exercise
1	Auction order entry
2	Auction order cancellation
3	Auction order enquiry
4	Exercise of Options
E	Client information
1	Client code structure
2	Display of client position
F	Security & Compliance related
1	Password protection
2	Lock-in mechanism for inactive users
3	Security of login session
4	Display of Trading member code and user id
5	Mandatory collection of margins
6	Display of Exchange user id and TM name on trader workstation
G	Internet Trading
1	Full name and SEBI registration no. on

	website
2	Display of Investor protection rule, Arbitration rule and rules effecting member - client relationship
3	Display of Risk disclosure documents
4	Order & Trade confirmation through email
5	Default client code while order entry