

CONSULTATION PAPER ON EXCHANGE TRADED DERIVATIVES- FOR PUBLIC COMMENTS

Measures for ease of doing business for MIs- " Modifications to Master Circular for Stock Exchanges and Clearing Corporations, Master Circular for Commodity Derivatives Segment on Chapter-Exchange Traded Derivatives (including Commodity Derivatives)"

THE BACKGROUND AND OBJECTIVE

1.1 This consultation paper is third part in the series of consultation papers issued for review of the regulatory norms pertaining to Stock exchanges. In terms of the extant modalities for policy formulation, SEBI, *inter-alia*, prior to issuing a circular under the Acts or regulations generally undertakes public consultation.

1.2 Accordingly, the objective of this consultation paper is to seek comments/views/suggestions from public on the modifications to-

1.2.1 Chapter 5 (Exchange Traded Derivatives) of the Master Circular for Stock Exchanges and Clearing Corporations(MSECC) dated December 30, 2024 and

1.2.2 Chapter 2 (Product related Guidelines), Chapter 3(Daily Price limits and Position limits), Chapter 4 (Participants in Commodity Derivatives markets), Chapter 5 (Options in Goods), Chapter 6(Options in Commodity Futures), Chapter 7(Design of Commodity Indices and product design for futures on commodity indices), Chapter 8(Options on Commodity indices-Product design and risk management framework) and Chapter 10(Contract Approval and modification) of Master Circular for Commodity Derivatives Segment(MCCD) dated August 04, 2023,

through, *inter-alia*, simplification of regulatory requirements, removal of redundant provisions, discontinuation of duplication, in order to promote ease of doing business and reduce the compliance burden on exchanges.

1.3 It is proposed that the approach to review shall broadly entail the below activities-

- 1.3.1 Chapter-wise review of Master Circular for Stock Exchanges and Clearing Corporations dated December 30, 2024;
- 1.3.2 Entity-wise review of Master Circular, in terms of having a Master Circular for Exchanges and separate Master Circular for Clearing Corporations;
- 1.3.3 Merger of Master Circular in a single set of directions for Stock Exchanges and Commodity Derivatives exchanges.

Accordingly, the consultation paper is for combined guidelines for Stock exchanges on the aforementioned Chapters mentioned at para 1.3 and shall replace all the applicable provisions till the January 31, 2026 in respect of Stock exchanges (including Commodity Derivatives exchanges).

2. SUMMARY OF CHANGES SUGGESTED

The current provisions, changes proposed and rationale for the changes are briefly mentioned as under:

Sr. No	Current Provisions	Changes proposed	Rationale for change
2.1	Paragraph 5.1.6 of Chapter 5: 'Options in Goods' of MCCD which deals with 'Product Design', inter-alia, states that- <i>5.1.6. Exercise Mechanism: On expiry, following mechanism shall be adopted by stock exchanges for exercise of the options contracts:</i> <i>i. Option series having strike price closest to the price of the underlying shall be termed as At the Money (ATM) option series. This ATM option series and three option series having strike prices immediately above this ATM strike and three option series having strike prices immediately below this ATM strike shall be referred as 'Close to the money' ("CTM") option series.</i> <i>ii. All option contracts belonging to 'CTM' option series shall be exercised only on 'explicit instruction' for exercise by the long position holders of such contracts.</i> <i>iii. All In the money (ITM) option contracts, except those belonging to 'CTM' option series, shall be exercised</i>	It is proposed to delete the Close to the Money (CTM) option series and the corresponding norms for Option in Goods in case of commodity derivatives. The matter was taken up in the meeting of Commodity Derivatives Advisory Committee(C DAC) of SEBI wherein the committee agreed to the changes proposed.	Simplification and Standardization 1. <u>Genesis:</u> The product design framework (including exercise mechanism with CTM series) for Option in Futures was envisaged vide circular dated June 13, 2017. Subsequently, the product design framework (with CTM series) for Option in Goods was introduced vide circular dated January 16, 2020. Hereinafter, vide circular dated January 03, 2022, Close to the Money (CTM) has been removed in case of Options on Futures owing to CTM

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	<i>automatically, unless 'contrary instruction' has been given by long position holders of such contracts for not doing so.</i> <i>iv. All Out of the money (OTM) option contracts, except those belonging to 'CTM' option series, shall expire worthless.</i> <i>v. All exercised contracts within an option series shall be assigned to short positions in that series in a fair and non-preferential manner</i>		strikes not exercised by participants, no possible impact on brokerages etc., however, the same was retained for Option in Goods owing to ease of delivery. 2. <u>Global norms:</u> There is no concept of close to money (CTM) on leading international commodity exchanges because the concept of CTM makes the exercise mechanism complex for the trade participants, and they might find it difficult to actually look into the intrinsic costs associated with the CTM options. Since OTM and ITM are relatively easy to understand and execute, most of the Exchanges offer these two options to market participants. 3. <u>Concerns of option sellers:</u> CTM option introduces uncertainty and price risk for the seller. 4. <u>Challenges for option buyers:</u> For Option in goods,

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			the number of strikers on which margin is imposed increases significantly compared to option in futures.
2.2	Paragraph 2.4.3(i) of Chapter 2 - Products Related Guidelines of MCCD deals with the composition of Product Advisory Committee(PAC) of exchanges which states that: <i>The PAC shall have a balanced representation from amongst the following categories of stakeholders:</i> <i>a. Representatives from Trade Associations representing various value chain participants.</i> <i>b. Representatives from various Stakeholders and value chain participants such as producers, traders, consumers, Farmers or FPOs / Cooperative societies in case of agricultural commodities, Small & Medium Enterprises (“SMEs”) / Micro, Small & Medium Enterprises (“MSMEs”) etc.</i> <i>c. Representative(s) from warehousing/ assaying sector.</i> <i>d. Independent Expert(s) in the specific commodity group.</i> <i>e. Representative(s) from financial sector (such as Financial Institutions, brokers, etc.).</i> <i>f. Representative(s) from stock exchange / clearing corporation responsible for specific commodity.</i>	It is proposed to modify this requirement by inserting the provision “if certain stakeholder(s) is/are not available for a particular commodity, exemption from satisfying the prescribed composition in PAC shall be sought from the respective PAC Chairman.’	Simplification 1. The exchanges have submitted that in certain cases some set of participants mentioned in the composition of PAC may not be available/required. For example, in the case of cash settled contracts such as Sunflower Oil, Cotton wash oil, crude oil etc. the warehouse service provider and assayer are not required/available. Similarly, in processed commodities such as Guar Gum, Sunflower Oil etc. FPOs are also not present as these commodities are not produced directly by the farmer (processed commodity). Hence, exemptions shall be provided in these types of contract from the aforementioned clause on composition of PAC committee. 2. Furthermore, Exchange invites participation from the processing

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			industry for processed commodities, however it is difficult to ensure SME or MSME status of the processor and ensuring their participation.
2.3	Paragraph no. 2.4.4 of MCCD read with Circular dated June 12, 2025 deals with 'Proceeding of meetings' of Product Advisory committee which, inter-alia, states that PAC shall meet at least twice a year and more frequently as and when required. Vide circular dated June 12, 2025 exemption has been granted to agricultural commodities wherein the minimum PAC meeting frequency has been reduced to one meeting in a year. However, the mandatory requirement of two meetings in a year remains for non-agricultural commodities.	It is proposed to modify this requirement and mandate minimum required number of PAC meetings for non-agricultural commodities to one meeting per year, similar to that for agricultural commodities. The matter was taken up in the meeting of Working Group on Non-agricultural commodities of SEBI wherein working group agreed to the changes proposed.	Simplification and Standardization The exchanges have made representation to review the norms on frequency of PAC meetings for non-agricultural commodities wherein it has been submitted that: 1. <u>Limited agenda items:</u> PAC meeting is usually conducted to review the current performance of the contract and suggest any modifications required in the contract specifications. The modifications to contract specifications in case of non-agricultural commodities are generally minimal and do not necessitate frequent or urgent reviews. 2. <u>Challenges in convening meetings:</u> PAC members often show limited interest in attending PAC meetings

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			organised by exchanges for certain commodity derivatives classes/groups with lower liquidity and participation. Despite repeated reminders and follow-ups, majority of the participants do not attend the meeting, making it difficult for exchanges to meet the mandated compliance requirements. 3. <u>Retention of flexibility</u>: Further, the Exchange retains the discretion to convene additional PAC meetings as and when needed, ensuring flexibility to address any unforeseen developments/requirements. 4. <u>Differential norms</u>: For agri-commodities, the frequency of PAC meetings has been reduced to atleast one meeting per year vide circular dated June 12, 2025.
2.4	Paragraph 11.7 of MCCD deals with change in expiry date of running contract in case physical market is closed in the notified basis centre on the expiry day due to festivals, strikes, erratic weather conditions etc. For the same, decision about advancing expiry of running contract has to be intimated	It is proposed to modify this requirement as below: 1. In case of advancement of	Simplification and Standardization The exchanges have represented that information regarding the closure of markets is often received at a very short notice. In

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	to the trade participants atleast 10 days before revised expiry date. At the same time, paragraph 10.2.1(B) of Chapter 10- Contract approval and modification of MCCD states that Category B are material modifications which can be made at the stock exchange level in yet to be launched contracts or running contracts which have nil open interest. These modifications shall require approval from Product Advisory Committee(PAC) and approval of Regulatory Oversight Committee(ROC) to be obtained post facto. Herein, as per Annexure-R of MCCD change in expiry date is a category B modification.	expiry date due to physical market being closed in the notified basis centre on the expiry day of the contract due to sudden events like festivals, strikes, erratic weather conditions etc, the decision can be taken by the Exchange with the prior approval of MD of the Exchange . 2. Further, Decision about such advancing expiry of running contract shall be intimated to the trade participants by giving adequate notice before the revised	the given circumstances, it is impractical to seek PAC approval for advancing the expiry of a single contract and issue an intimation 10 days in advance.

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		expiry date.	
2.5	Paragraph 1.3.3, 1.3.4, 2.3.3, 3.3.3, 4.3.3, 5.3.3, 6.3.3, 7.1.15, 8.1.23, 9.1.17, 10.1.17, 11.1.18, 12.13 of MSECC deals with monitoring of position limits in index futures, index options, stock futures, stock options, currency futures, currency options, cross-currency futures and options, Interest Rate futures(IRF) on 10 Year GOI security, 91 day GOI Treasury Bill, IRF on 2 year Notional coupon bearing GOI security, IRF on 5 year notional coupon bearing GOI security, IRF on 6,10 and 13 year GOI security. Similarly, Para 3.4 of MCCD deals with the general guidelines for position limits in case of agricultural and non-agricultural commodity derivatives. In all the aforesaid provisions, across different product categories and client categories, primarily exchanges have been assigned the responsibility to monitor the positions limits. However, in terms of implementation, position limits in different products/client categories, are being monitored by exchanges or Clearing Corporations(CC).	It is proposed to modify this requirement as under: “Exchanges have the responsibility to monitor the position limits. However, exchanges may outsource the work to Clearing Corporations subject to entering into a formal agreement clearly outlining their respective roles, responsibilities and the commercials on arm’s length basis.”	Clarification It is given to understand that, currently, manner of monitoring of position limits by different exchanges for different segments as well as different client categories such as FPIs/NRI/Clients Mutual Fund, Trading member etc, varies. Hence, to avoid any disruption in the current manner of implementation while ensuring clear delineation of responsibilities this is being proposed.
2.6	Paragraph 14.15.2.3 of Chapter 5 of MSECC on ‘Requirement of Base Minimum Capital(BMC) for Trading Member’ stipulates that for members not having nationwide trading terminals, the deposit requirement shall be 40% of the prescribed BMC requirement. Further, Paragraph 1.1.19 of Chapter 4(Risk Management) of MSECC deals with ‘Requirement of Base Minimum Capital for Stock broker’.	It is proposed to: 1. Discontinue requirement under Para 14.15.2.3 and remove this from MSECC. 2. Move the BMC requirement related provisions from Para 1.1.19 of	Obsolescence 1. <u>Exit of regional exchanges:</u> This requirement has its genesis in SEBI Circular dated December 19, 2012 around the time regional stock exchanges were in existence and operational. However, currently, all the regional stock exchanges have been derecognized and exited with the sole

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		Chapter 4 to Para 14.15 of Chapter 5 of MSECC.	remaining Calcutta Stock Exchange which is also under voluntary exit. Further, all the operational exchanges are having nation-wide trading terminal. 2. <u>Newer Trading Technology</u>: With introduction of Internet Based Trading (IBT) and Securities Trading using Wireless Technology (STWT), brokers not having nationwide trading terminals may not be prevalent. 3. <u>Current form of implementation</u>: The exchanges have informed that they are already collecting 100% of BMC requirement as per respective BMC category. Further, they have submitted that since majority of the brokers are currently having nationwide presence, the requirement to collect 40% of the amount of BMC is not applicable in the current context. 4. The requirement of BMC is for Stock Brokers/Trading members and exchanges have the responsibility

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			to ensure compliance with this requirement. Hence, the provisions are being moved from Chapter 4 to Chapter 5 of MSECC.
2.7	Paragraph 14.10 of MSECC on 'Certification' deals with the guidelines for conduct of certification examination for brokers/dealers and salespersons in the derivatives market.	It is proposed that the current guidelines on certification may be removed as the same is subsumed within the SEBI (Certification of Associated Persons in the Securities Market) Regulation, 2007.	Obsolescence 1. <u>Genesis:</u> The requirement has its genesis in SEBI circular dated June 29, 1998 issued to NSE permitting NCFM certification for brokers in derivatives segment. These guidelines were to be adhered to by NSE while conducting certification exams. 2. <u>Extant norms:</u> Subsequently, SEBI (Certification of Associated Persons in the Securities Market) Regulation, 2007 superseded the guidelines stipulated under the aforesaid circular. 3. <u>Current form of implementation:</u> The exchanges submitted that there is no mandatory certification, other than NISM certification, prescribed by the

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			exchanges for brokers, dealers or salesperson operating in the derivatives market.
2.8	Paragraph 14.8 of Chapter 5 on 'Exchange Traded Derivatives of the MSECC prescribes reporting of derivatives transactions by exchanges and Clearing Corporations to the media/newspapers on a daily basis.	1. It is proposed to modify this requirement as 'Disclosure of derivatives transactions on website'. 2. Responsibility for the disclosure to be vested on exchanges.	Simplification and Clarification 1. <u>Genesis:</u> The requirement has its genesis in circular dated August 24, 2001, around the time derivatives contracts were launched for the first time when websites were not very prevalent and dissemination of information through media/newspapers served as the medium which had wider access to general investors. 2. <u>Current implementation:</u> Exchanges submitted that information on these transactions are already published on their websites on daily basis. 3. <u>Discontinuation of similar filings:</u> Periodic filings such as Monthly Development Report(MDR) and Monthly Activity Report(MAR) which were mandated around

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			the same period and which served similar objective have also been discontinued in light of availability of same information in public domain. 4. Further, as the transaction details to be disclosed are exchanges level information, the responsibility for disclosure may also be vested on exchanges.
2.9	Paragraph 14.1 of MSECC deals with 'Product Success Framework(PSF) for index derivatives' wherein, inter-alia, exchanges are required to submit the evaluation report to SEBI on a half-yearly basis.	It is proposed to modify this requirement and mandate disclosure of the evaluation report on exchange website.	Rationalization of filings 1. <u>Comparison with PSF for single stock derivatives:</u> On similar lines as the PSF for index derivatives, PSF has been introduced for single stock derivatives. However, in case of stock derivatives there is no requirement for exchanges to submit the PSF evaluation report to SEBI. 2. <u>Differences in implementation:</u> Further, in case of NSE, the PSF report is submitted to SEBI whereas in case of BSE the same is disclosed on their website.

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2.10	Paragraph 3.4.1(ii) of Chapter 3 of MCCD on 'General guidelines for position limits' states that- <i>The stock exchanges, however, in their own judgment, may prescribe limits lower than what is prescribed by SEBI by giving advance notice to the market under intimation to SEBI.</i>	It is proposed to discontinue this requirement of giving intimation to SEBI.	Rationalization of filings & giving discretion to exchanges. Annexure-R of Chapter 10 of MCCD, inter-alia, states that for modification in maximum allowable position limits (category-B modification), exchanges are only required to give advance intimation to SEBI and no approval is required for the same. Therefore, to make the position limit more stringent or make modifications within the permissible limits intimation to SEBI may not be required.
2.11	Paragraph 2.3 of MCCD deals with 'Role of Regulatory Oversight Committee(ROC) regarding Product Design.' 2.3.1. <i>The Regulatory Oversight Committee of the stock exchanges is one of the mandatory oversight committee of the Governing Board of the stock exchange. The functions of Regulatory Oversight Committee with respect to the "Product Design" is as under</i> <i>Oversee matters related to product design and review the design of the already approved and running contracts</i> <i>Oversee SEBI inspection observation on Product Design related issues.</i> <i>Estimate the adequacy of resources dedicated</i>	It is proposed to - Delete para 2.3.1 of this requirement from MCCD. - Merge para 2.3.2 in the TOR of Regulatory oversight Committee in Chapter 'Administration of Exchanges'.	Redundancy - The overall functions and Terms of reference(TOR) for the ROC has been defined vide circular SEBI/HO/MRD/MRD-PoD-3/2024/088 dated June 25, 2024 on 'Statutory Committees at Market Infrastructure Institutions(MIIs), which is incorporated in the MSECC and point 2.3.1 of MCCD is already covered therein. - Further, to ensure all responsibilities of the ROC are available in a

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	<i>to Product Design related function.</i> 2.3.2. <i>The head(s) of department(s) handling above matters shall report directly to the Regulatory Oversight Committee and also to the Managing Director. Any action against the head(s) of department shall be subject to an appeal to the Regulatory Oversight Committee, within such period as may be determined by the Governing Board.</i>		single consolidated manner, it is proposed to move this requirement to the TOR of ROC.
2.12	Paragraph 1.4, 5.5, 6.4 of Chapter 5 of MSECC deals with eligibility criteria for derivative segment of the exchange in case of index futures, currency futures, currency options respectively.	It is proposed to merge these requirements in to a single, consolidated norm applicable for all segments in an exchange.	Redundancy There is significant overlap among the eligibility norms across these segments such as requirement of prior approval from SEBI, separation of membership for brokers across segments, clearing through recognized Clearing Corporation etc.
2.13	Paragraph 1.3.6 and 5.3.4 of Chapter 5 of MSECC envisages the broad guidelines on design of surveillance system of exchanges.	It is proposed to merge these requirements in to a single, consolidated norm applicable for all segments in an exchange.	Redundancy There is significant overlap among the surveillance system guidelines such as monitoring of open interest, monitoring of closing prices, developing databases of trading activity of brokers and clients, studying global surveillance practices etc.
2.14	Risk Management Paragraphs 1.2, 2.2, 3.2, 4.2, 5.2, 6.2, 7.2, 8.2, 12.15, 13.5, 14.3, 14.4, 14.5, 14.12, 14.13 of MSECC and Paragraphs 5.2, 6.2, 7.3, 8.2, 9.1, 9.2, 9.3, 9.4, 9.5, 9.6, 9.7 of MCCD covers the risk	Segregate/de merge this requirement from MSECC and MCCD prospectively to be included	Demerger The current form of single regulatory requirement of exchange and CCs has its genesis in the legacy of CCs

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	management framework for different derivatives contracts.	in the separate Master Circular for Clearing Corporations(CCs).	functioning as fully owned subsidiaries of exchanges. However, in light of increasingly segregated roles of CCs, especially with introduction of interoperability, separate Clearing member registration by CCs, <i>amongst others</i>, need is felt for segregation of compliance norms. Separate Master Circular for Exchanges and CCs shall be a step towards simplification of regulatory requirement, as the compliance obligations would be clearly delineated for the two entities.
2.15	Paragraph 14.16 of MSECC deals with 'Securities as margin obligation to be given by way of pledge/repledge in the depository system.	Segregate/ demerge this requirement from MSECC and retain the same in Master Circular for Stock Brokers.	Demerger 1. This requirement stipulates the manner of creating pledge of dematerialized securities. The regulatory provision has its genesis in and currently forms part of the Master Circular for Stock Brokers dated June 17, 2025 issued by MIRSD-SEBI. 2. Further, MRD may not be privy to the amendments if any related to these provisions and the same can be updated in a timely manner by

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			the concerned department.
2.16	Paragraphs 4.2, 4.3 and 4.4 of Chapter 4 of MCCD deals with the 'Participants in commodity derivative markets' such as Foreign Portfolio Investor, Portfolio Management Services and Mutual Funds respectively.	Segregate/merge this requirement from MCCD and retain the same in respective Master Circulars.	Demerge 1. <u>Duplication:</u> These requirements currently form part of the Master Circular for Portfolio Managers dated July 16, 2025, Master Circular for FPI, DDP and eligible foreign investors dated May 30, 2024, Master Circular for Mutual Funds dated March 20, 2026. 2. Further, as these intermediaries are under the purview of SEBI-AFD and SEBI-IMD, MRD may not be privy to any subsequent policy changes introduced w.r.t these intermediaries.
2.17	Paragraph 14.9 of MSECC deals with provisions related to Straight Through Processing(STP) which involves use of system to process or control all elements of the workflow of a financial transaction commonly known as front, middle, back office and general ledger. In other words, STP allows electronic capturing and processing of transactions in one pass from the point of order origination to final settlement.	It is proposed to merge the provisions related to STP in Chapter on 'Trading Software and Technology' of MSECC	Demerger The concept of STP is covered in detail in Chapter on 'Trading Software and Technology' of MSECC as well, along with other technology related provisions such as Internet Trading, Direct Market Access, Smart order Routing etc. To ensure consistency, the modification is being suggested.
2.18	Price Bands	It is proposed to merge the	Demerger

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	Paragraph 5.4.1, 5.4.2, 7.3.1, 7.3.2, deals with dynamic price bands for currency derivatives and cross-currency derivatives contracts and Annexure A(12) of 14.6.3 stipulates price bands for Corporate Bond index futures. Trading Hours Paragraphs 1.1.3, 2.1.3, 3.1.5, 4.1.3, 5.1.2, 6.1.2, 7.1.2, 8.1.3, 9.1.2, 10.1.2, 11.1.2, 12.3, 1.4.6.3 Annexure-A (3) deals with trading hours for different derivatives products.	provisions related to dynamic price bands and Trading Hours in Chapter on 'Trading' of MSECC	The provisions related to Circuit breakers/price bands and trading are covered in detail under Section 2 of Chapter 'Trading' in MSECC, along with other trading related provisions such as bulk/block deals, margin trading, UCC, proprietary trading etc. To ensure consistency, the modification is being suggested.
2.19	Chapter 2 of Master Circular for Commodity Derivatives on 'Product related guidelines'. Chapter 3 (Para 3.4 to 3.7) of Master Circular for Commodity Derivatives on 'Daily price limits and Position limits' Chapter 4 of Master Circular for Commodity Derivatives on 'Participants in Commodity Derivatives market. Chapter 5 of Master Circular for Commodity Derivatives on 'Options in Goods(except 5.2). Chapter 6 of Master Circular for Commodity Derivatives on 'Options in Commodity Futures'(except 6.2). Chapter 7 of Master Circular for Commodity Derivatives on 'Design of commodity indices and product design for futures on commodity indices(except 7.3). Chapter 8 of Master Circular for Commodity Derivatives on 'Options on commodity indices-Product design and risk management framework'(except 8.2). Chapter 10 of Master Circular for Commodity Derivatives on 'Contract approval and modification.	Merge this requirement in the Master Circular for Exchanges(M SECC) and demerge this from the Master Circular for Commodity Derivatives(M CCD)	Simplification 1. The requirements under this chapter is same as the requirement envisaged in Master circular for exchanges. 2. Discontinuation of multiplicity in Master circulars for a single entity viz. an exchange. 3. Commodity operates as a segment in the stock exchanges as well. Having separate master circular for a segment in an exchange may be unessential.
2.20	Certain regulatory norms issued by MRD did not form part of latest MSECC dated December 30, 2024 as the cut-off date for compilation of the Master Circular was October 31, 2024. Similar, there are provisions not forming part of	Modification to paragraphs	New circulars Inclusion of provisions contains the following circulars: 1. Circular dated June 12, 2025

Sr. No	Current Provisions	Changes proposed	Rationale for change
	MCCD dated August 04, 2023 as cut-off date for the same was March 31, 2023. Therefore, such circulars pertaining to this section- Exchange Traded Derivatives are also being incorporated herein. Summary of such new requirements/amendments are as under- 1. Frequency of meetings of product Advisory Committee 2. Eligibility criteria for launching options on commodity futures 3. Eligibility criteria for allowing derivatives contracts on commodities, Permission for trading in futures contract and approval for future contracts on continuous basis, Checklist under Chapter-10 of MCCD. 4. Final settlement day for equity derivatives 5. Penal provision of intraday breach of position limits to be kept on hold 6. Measures for Enhancing Trading Convenience and Strengthening Risk Monitoring in Equity Derivatives 7. Latest Notification for List of goods notified under SCRA, 1956 8. Framework for Intraday Position Limits Monitoring for Equity Index Derivatives 9. Addition of 'Electricity' in Client level numerical position limit for overall commodity at Annexure M of MCCD.		2. Circular dated May 27, 2024 3. Circular dated May 30, 2024 4. Circular dated May 26, 2025 5. Circular dated March 28, 2025 6. Circular dated May 29, 2025 7. Circular dated March 05, 2024 8. Circular dated Sep 01, 2025

3. PUBLIC COMMENTS

3.1 Kindly provide your comments for the below items along with supporting rationale:

3.1.1 Whether provisions covered under Chapter 5 of Master Circular for Stock Exchanges and Clearing Corporations dated December 30, 2024 and Chapters 2, 3, 4, 5, 6, 7, 8 and 10 of the Master Circular for Commodity Derivatives dated August 04, 2023 be merged?

- 3.1.2 Whether provisions related to Stock exchanges and Clearing Corporations covered in Chapter 5 of Master Circulars dated December 30, 2024 and Chapters 2, 3, 4, 5, 6, 7, 8 and 10 of Master Circular dated August 04, 2023 be separated?
- 3.1.3 Wherever the above two is proposed, whether any risks or issues are envisaged? Safeguards to protect against possible risks?
- 3.1.4 Whether the restructuring undertaken in terms of merger of separate sections on index futures, index options, stock futures and stock options into a single section on 'Equity Derivatives Segment' adequately covers all the regulatory provisions to convey the same meaning as earlier?
- 3.1.5 Whether the restructuring undertaken in terms of merger of separate sections on currency futures, currency options, cross-currency futures and cross-currency options into a single section on 'Currency Derivatives Segment' adequately covers all the regulatory provisions to convey the same meaning as earlier?
- 3.1.6 Whether the restructuring undertaken in terms of merger of separate sections on interest rate futures on 91 Day, 2 Years, 5 Year, 6 Year, 10 year and 13 Year Government of India security into a single section on 'Interest Rate Derivatives Segment' adequately covers all the regulatory provisions to convey the same meaning as earlier?
- 3.1.7 Whether any other circular/communication (in addition to those indicated at para 2.20 above) needs to be incorporated in the revised Chapter on 'Exchange Traded Derivatives'?
- 3.1.8 Specific comments on the detailed provisions in this consultation paper.
- 3.2 Public comments are also invited on the draft circular and draft circular in track change annexed to this consultation paper as [Annexure A](#) and [Annexure B](#) respectively. The comments/suggestions should be submitted latest by **June 04, 2026**, through the online web-based form which can be accessed using the following link:

<https://www.sebi.gov.in/sebiweb/publiccommentv2/PublicCommentAction.do?doPublicComments=yes>

The instructions to submit comments on the consultation paper are as under:

- 3.2.1 *Before initiating the process, please read the instructions given on top left of the web form as “Instructions”.*
- 3.2.2 *Select the consultation paper you want to comment upon from the dropdown under the tab – “Consultation Paper” after entering the requisite information in the form.*
- 3.2.3 *All fields in the form are mandatory.*
- 3.2.4 *Email ID and phone number cannot be used more than once for providing comments on a particular consultation paper.*
- 3.2.5 *If you represent any organization other than the types mentioned under dropdown in “Organization Type”, please select “Others” and mention the type, which suits you best. Similarly, if you do not represent any organization, you may select “Others” and mention “Not Applicable” in the text box. vi. There will be a dropdown of Proposals in the form. Please select the proposals one- by-one and for each of the proposal, please record your level of agreement with the selected proposal. Please note that submission of agreement level is mandatory.*
- 3.2.6 *If you want to provide your comments for the selected proposal, please select*
- 3.2.7 *“Yes” from the dropdown under “**Do you want to comment on the proposal**” and use the text boxes provided for the same.*
- 3.2.8 *After recording your response to the proposal, click on “Submit” button. System will save your response to the selected proposal and prompt you to record your response for the next proposal. Please follow this procedure for all the proposals given in the dropdown.*
- 3.2.9 *If you do not want to react on any proposal, please select that proposal from the dropdown and click on “**Skip this proposal**” and move to the next proposal.*
- 3.2.10 *After recording your response to all the proposals, you may see your draft response to all of proposals by clicking on “**Check your response before submitting**” just before submitting response to the last proposal in the dropdown. A pdf copy of the response can also be downloaded from the link given in right bottom of the web page.*

3.2.11 The final comments shall be submitted only after recording your response on all of the proposals in the consultation paper.

3.3 In case of any technical issue in submitting your comment through the web based public comments form, you may contact the following through email with the subject: "**Modifications to Master Circular for Stock Exchanges and Clearing Corporations and Master Circular for Commodity Derivatives Segment- on "Exchange Traded Derivatives"**

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Encl.: [Annexure A](#) and [Annexure B](#)

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