

**CHAPTER - 5****TRADING SYSTEM****5.1 Access to Trading**

- 5.1.1** The Exchange shall provide an automated trading system to trading members to access and carry on trading in the securities admitted to dealings on the Exchange.
- 5.1.2** The Automated Trading System (ATS), as may be provided by the Exchange shall be called “ \_\_\_\_\_ system” or the system for short.
- 5.1.3** The ATS shall be available for facilitating trading in the securities admitted to dealings by the Exchange and also for trading in such other securities, which may be allowed by the Exchange for trading on the Exchange from time to time.
- 5.1.4** The Exchange may provide an architecture and the infrastructure related thereto, to the extent possible, to facilitate the trading members of the Exchange to establish connectivity with the ATS of the Exchange. The Relevant Authority shall have absolute right to specify the maximum number of TWSs that may be allotted to a trading member generally or to any trading member or trading members in particular and the conditions for such allotment. The Relevant Authority shall also have absolute right to reject any place or places where the TWS may not be installed.
- 5.1.5** The Relevant Authority may prescribe the specifications/descriptions of hardware, software and equipment and the specifications to carry out the required testing thereof in such manner and time as may be specified by the Relevant Authority from time to time, which a trading member shall be required to strictly adhere to have connectivity with, or use of the ATS of the Exchange to ensure compatibility and minimize / avoid technical issues arising out of incompatibility of hardware, software and equipment.
- 5.1.6** A trading member may be authorised to appoint such number of persons as authorised persons or authorised users, as may be provided in relevant Regulations that may be in force from time to time.

**5.1.7** Any trading member desirous of extending his network, be it through VSAT connectivity and / or lease line connectivity and / or through any other means of connectivity, authorized by the Exchange, and / or through the CTCL software or any other software approved by the Exchange, which facilitates access to the trading system of the Exchange, shall be required to seek prior approval of the Exchange. Such terminals of a trading member may be allowed to be installed by the Exchange at the places from where the trading members or sub-brokers or authorized persons or approved users or clients carry out trading activities. No trading member shall install either directly or indirectly any terminal through CTCL connectivity, having access to the trading system of the Exchange, without prior approval of the Exchange. Where a terminal is already installed without obtaining approval of the Exchange, the concerned trading member shall obtain necessary approval from the Exchange in such manner and within such time, as may be prescribed by the Exchange in this regard. In case any trading member fails to obtain necessary approval from the Exchange for any terminal installed through CTCL connectivity having access to the trading system of the Exchange, the concerned trading member shall be personally responsible for trading done through such terminals and also render himself liable for disciplinary action by the Exchange.

**Explanation:**

Provided where a client wishes to have a CTCL terminal installed at his place, such client shall be required to comply with such requirements relating to its use for his own activities and not using it for activities, which may be termed/viewed by the Exchange, as intermediary, by whatever name called, as may be specified by the Exchange from time to time. The decision of the Exchange in this regard shall be final, binding and conclusive on the concerned trading member and the client.

**5.1.8 The Relevant Authority shall have the power to provide for:**

**5.1.8.1** the procedure for registration and cancellation of the registration of a person as an authorised person or approved user or client.

- 5.1.8.2** the conditions required to be fulfilled before a person can be registered as an authorized person/ approved user / client .
- 5.1.8.3** the conditions required to be fulfilled before an authorised person / approved user may have access to the ATS of the Exchange.
- 5.1.8.4** the maximum number of persons who may be permitted to have access to the ATS on behalf of a trading member.
- 5.1.8.5** the procedure for provision and modification of a password used by an authorised person / approved user / client to access the ATS.
- 5.1.8.6** the circumstances in which the Exchange may refuse and / or withdraw and/or cancel the permission to an authorised person/ approved user / client to have access to the ATS of the Exchange, either indefinitely or for a specified period or until the fulfillment of conditions, as may be specified by the Exchange from time to time.

**5.1.9** All the orders for purchase or sale of securities by a trading member shall be required to be entered only through the ATS.

## **5.2 Trading Sessions**

- 5.2.1** The Relevant Authority may specify in the Regulations the type and duration of the different trading sessions on the ATS from time to time.
- 5.2.2** The Relevant Authority may, at its discretion, alter, contract, extend or suspend any or all the trading sessions in specific circumstances, for reasons to be recorded in writing. Wherever possible, such changes may be communicated to the trading members in advance.

## **5.3 Specification of Codes and Operational Parameters**

The Relevant Authority may provide for an appropriate mechanism for specification, alteration and rescission of the unique codes for securities, trading members, clearing members, custodians, authorised persons, approved users, participants, clients and operational parameters, relating to tick sizes, trading units, order types, order attributes, order matching logic, market view contents, participation norms for trading through the ATS or any other parameters deemed

necessary and as may be provided in the relevant Regulations that may be in force from time to time.

#### **5.4 Surveillance, Stock Watch System, Investigation and Trading Members Database**

**5.4.1** The Exchange may, at its discretion, decide to look after the functions relating to surveillance, investigation and any other market related activities, either by itself or by a separate entity through outsourcing or by a separate and distinct entity established by it, either jointly or in collaboration with any other institution.

**5.4.2** The provisions relating to surveillance, stock watch system, investigation, any other market related activities and trading members' database shall be specified in the relevant Regulations relating to these matters from time to time.