

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Ltd.)

Circular

Department: Securities Lending and Borrowing Scheme	
Download Ref No: NCL/CMPT/54469	Date: November 16, 2022
Circular Ref. No: 109/2022	

All Participants / Custodians,

Prevention of Self- Transactions in SLB Scheme.

In pursuance to Circular No. 001/2022 (NCL/CMPT/50879), dated January 03, 2022, and with reference to NSE circular NSE/CMTR/40132 dated February 05, 2019 regarding Self-Trade Prevention mechanism provisions in Capital Market segment, Participants are hereby informed that following provisions are being made applicable in SLB Scheme in order to prevent Self-Transactions in SLB Scheme.

For PRO / Client (Non-CP Code) order :

If an active PRO / Client (Non CP Code) order is likely to match with any passive order (PRO / Non CP Code Client / CP Code Client) having the same PAN (Permanent Account Number) in the same order book; then the active or passive order (full or partial as the case may be) as per the option set in order entry in the active order shall be cancelled by the Exchange with rejection message "Order cancelled by the System – The order could have resulted in Self-Trade" .

For Custodial Participant (CP Code) order:

- a) If an active CP code order is likely to match with a passive CP code order having the same CP code in the same order book; or
- b) If an active CP code order is likely to match with a passive PRO / Client (Non-CP code) order having the same PAN (Permanent Account Number) in the same order book

Then the active or passive order (full or partial as the case may be) as per the option set in order entry in the active order shall be cancelled by the Exchange with rejection message "Order cancelled by the System – The order could have resulted in Self-Trade"

Thus, in case of a Pro / Client order entered by same/different members are resulting in self-trade/transaction due to same PAN or CP code, as the case may be, on the active and passive side, the same shall result in active or passive order getting cancelled as per the option set in the active order.

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The Self transaction prevention mechanism shall be made applicable in continuous normal market for all SLB transactions.

The above provisions would be effective from January 09, 2023.

You are advised to take note of the above.

**For and on behalf of
NSE Clearing Limited**

Nisha Pillai
Associate Vice President

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