



NATIONAL STOCK EXCHANGE OF INDIA LIMITED

CAPITAL MARKET SEGMENT

Circular No. 001 / 2011

Sub: Registration of Foreign Independent Software Vendors (ISVs)

The Exchange is providing a facility to Foreign Independent Software Vendors (ISVs) who provide trading solutions for brokerage for exchanges globally and developing / want to develop software for NSE trading members to register with the Exchange as ISVs. Registering as ISV with the Exchange would enable the vendors to receive the API's / technical specifications directly from the Exchange.

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Download No. : 16829

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Vendors desirous of being registered as ISV with the Exchange shall be evaluated on the basis of various parameters inter alia including background, infrastructure, systems etc. The details of the criteria are enclosed as Annexure A. Vendors desirous of being registered as ISV with the Exchange would be required to meet the said criteria.



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It should be noted that the software developed by 'Registered ISVs' will not be considered as empanelled with the Exchange. The procedure for providing approval to trading members for software procured from / developed by 'Registered ISVs' would be the same as the approval procedure for members procuring software from non-empanelled vendors / developing in-house software.

Procedure of ISV Registration

The vendor shall make an application to the Exchange for Registration as an ISV for specific segment(s) of the Exchange as per specified format. The format of the application form is enclosed as Annexure B.

On receipt of the above duly complete application form and the charges and the vendor meeting SEBI / Exchange minimum requirements, the ISV shall be issued a letter of provisional registration with the Exchange along with ISV Terms of Conduct (as per attached Annexure C).

The vendor shall be required to submit the hard copy of the ISV Terms of Conduct to the Exchange by acknowledging the acceptance (signed by authorized signatory) of the terms and conditions. On receipt of the acknowledged ISV Terms of Conduct, the vendor shall be registered with the Exchange.

Charges for ISV Registration

The charges as mentioned below shall be payable only by 'Registered ISV'.

- One time charge of Rs.10 lakhs
- Recurring annual charge of Rs.2.50 lakhs.

The financial year shall be considered as the basis for the yearly period for the recurring charges. The vendor shall be required to pay of the one-time fee of Rs.10 lakhs and the annual charge of Rs.2.50 lakhs for the first year in advance at the time of making the application for registration.

For the first year, the annual charge shall be calculated on a pro-rata basis from the date of receipt of the vendor's application till March 31st. Since the ISV pays the entire amount of Rs.2.50 lakhs for the first year at the time of application, the excess amount after calculation of amount due for the first year (on pro-rata basis as above) shall be adjusted towards annual charges for the next financial year.

The ISV shall be billed for annual charges in April each year and shall be given not more than 2 weeks to pay the same. Interest of 24% p.a. shall be levied on late payment of the annual charges and a separate debit note for interest on delayed payment of the annual charges shall be sent to the ISV.

For National Stock Exchange of India Ltd.

**Suprabhat Lala
Vice-President**



ANNEXURE-A

CRITERIA FOR REGISTRATION AS INDEPENDENT SOFTWARE VENDOR

1. Back-ground of the ISV :
 - Suitable organization structure, promoters and their background. Details of affiliation with other entities like brokers / sub-brokers etc. including beneficial interests held by / in such brokers / sub-brokers etc.
 - A record in project implementation along with good reference sites desirable.
 - ISO / CMM certification for IT activity desirable
2. Should have adequate infrastructure in terms of:
 - Hardware & software facilities available
 - Communication & networking facilities within the organization
 - General office facilities in terms of office space and infrastructure
 - Total staff
3. Should have required skills within the organization (can be a value added reseller and must have necessary system integration and porting skills)
4. Should have sound platforms for the proposed solution
5. Should have developed and implemented CTCL / Order Management Solution for connecting to exchanges internationally

ANNEXURE-B

APPLICATION FOR REGISTRATION AS INDEPENDENT SOFTWARE VENDOR (ISV)
(To be executed on letter head of the ISV)

BASIC DETAILS

Name of the ISV :

Registered Address :

Country of Incorporation :

Telephone No. :

Fax No. :

Name(s) & Designation of Authorized Signatory :

Telephone No. of Authorized Signatory :

Correspondence Address :

Telephone No. :

Fax No. :

Segments for which applying as an ISV: CM / F&O

ORGANISATION DETAILS

Organizational structure : To be enclosed

Total Staff :

Directors

Technical Staff :

Hardware

Software

Support

Others

FINANCIAL DETAILS

Details of promoters and their background :
(To be enclosed)

No. of years in the IT Business :

IT Turnover for last five years :
(Complete details including balance sheets to be enclosed)

Complete details ISO Certification for IT activity, if any :

TECHNICAL DETAILS

Complete details of infrastructure available (as below) within the organization:

Hardware :
Software : To be enclosed
Communication / Networking :

Complete details of Projects implemented along with References :

SOLUTION DETAILS

Solution Details :

Name and Reference of Exchange (NSE) trading members where solution is implemented :

RELATIONSHIP WITH OTHER EXCHANGES

Name of the Exchange(s) :

Nature of Relationship :

Details regarding Trading Solution Provided :

RELATIONSHIP WITH INDIAN SOFTWARE COMPANIES

Name of the Software Company :

Nature of Relationship :

Start date / year of Relationship :

We certify that all the statements are true and correct to the best of our knowledge. We undertake to ensure continuous compliance with the requirements of the Exchange, DoT policy and regulations with regard to levels of encryption, etc and SEBI / RBI directives and other statutory requirements etc. in this regard, as may be issued from time to time. We further state that there is no conflict of interest with the business of the Exchange.

Signed sealed and delivered by the Authorized representative of the ISV

Date :

Place :

ANNEXURE-C

ISV Terms of Conduct

Terms and Conditions :

1. You shall pay such charges to Exchange as may be specified by the Exchange from time to time and as may be levied by DOT/MTNL/ any other regulatory/statutory authorities from time to time.
2. All material and information which has or will come into your possession or knowledge in connection with the release of the API or the performance hereof, consists of confidential and proprietary data, whose disclosure to or use by third parties will be damaging or cause loss to the Exchange. You shall hold such material and information in strict confidence, not to make use thereof other than for the purpose mentioned above, to release it only to your employees requiring such information and that too only with the written consent of the Exchange, and not to release or disclose it to any other parties. You shall take appropriate action with respect to your employees to ensure that the obligations of non-use and non-disclosure of confidential information are fully satisfied and shall also ensure that your employees are aware and comply with the above provisions.
3. You shall not in any way represent that the software developed by you is a part of the NEAT software of the Exchange.
4. You shall not advertise or publish any brochure, pamphlet, booklet, notice, or promotional material mentioning the Exchange or NEAT without the written consent of the Exchange.
5. You shall keep full security of Exchange's programs, databases and computer records in accordance with best computing practice.
6. You shall not share the API/technical specifications with any third party without any specific approval from the Exchange.
7. You shall not make use of the API/technical specifications for any commercial gains except for the purpose as mentioned in your Application.
8. You shall not in any way represent that the software developed is the empanelled products of the Exchange.
9. You shall inform the Exchange -
 - a) If you enter into a compromise with your creditors or liquidation or insolvency proceedings have been commenced against you (and which is not vacated within 60

days of such commencement) or otherwise you take steps to wind up (otherwise than as a result of a solvent intra-group restructuring); or

- b) If you undergo a change of control including any change wherein the management vests with a party (or group of persons) whom the Exchange (acting reasonably) considers a direct or indirect competitor; or
 - c) If there is any change in any of the criteria based on which you have been identified as ISV by the Exchange.
10. You shall submit such details as required by the Exchange including the details regarding the number of the Trading Members of the Exchange to whom you have provided the license to use the software and number of license provided to the Trading Members of the Exchange. The details shall be submitted by you on a periodical basis.
11. You shall execute, sign, subscribe to such other documents, papers, agreement, covenants, bonds, and/or undertakings as may be prescribed or required by the Exchange from time to time.
12. The Exchange has the right to stop sharing of the API/technical specifications for any segment without giving any reason.
13. You have represented in your application for registration as an ISV that there is no conflict of interest with the business of the Exchange. You shall ensure continued compliance with this requirement. You are also required to ensure that your group companies including holding or subsidiary companies are not engaged in a business which gives rise to conflict of interest with the business of the Exchange. You shall immediately inform the Exchange in case a conflict of interest arises in the future and in such an event, the Exchange may take such action as it may deem fit including stoppage of sharing of APIs for other products/ and updates to the existing APIs/ Technical specifications.
14. Your use of the API shall be within the scope as mentioned in above.

You may kindly note that the Exchange is only releasing the API and the Exchange does not guarantee the merchantability of the API or fitness for the purpose mentioned in your Application. The Exchange shall not be responsible for special, incidental or consequential damages of any kind in connection with the release of the API. All the rights of ownership in the API shall vest only with the Exchange.