

CONSULTATION PAPER ON CIRCULAR FOR TRADING AT STOCK EXCHANGES – FOR PUBLIC COMMENTS

Measures for Ease of Doing Business (EODB) for Exchanges – Modifications to Chapter 1: Trading (including for Commodity Derivatives Segment) of Master Circular for Stock Exchanges and Clearing Corporations (“MSECC”), and Master Circular for Commodity Derivatives (“MCCD”)

1. OBJECTIVE AND BACKGROUND

- 1.1 The Hon’ble Finance Minister in the budget announcements for FY 2023-24, *inter-alia*, made an announcement to simplify, ease and reduce cost of compliance for participants in the financial sector through a consultative process.
- 1.2 In order to align the process of review of Master Circulars with the budget announcement, SEBI, *inter-alia*, prior to issuing a circular under the Acts or regulations, generally, undertakes public consultation.
- 1.3 Therefore, in compliance with the mandate and procedure envisaged in the aforesaid budget announcement, towards facilitating ease of doing business/compliance for stock exchanges, a Consultation Paper on Measures for ease of doing business on Administration of Exchanges (with respect to Chapter 6 of MSECC and Chapter 13, 14, 15 of MCCD) has been put up for public comments on October 08, 2025.
- 1.4 It was proposed in the said Consultation Paper that the approach to review shall broadly entail the below activities:
 - 1.4.1 Chapter-wise review of Master Circular for Stock Exchanges and Clearing Corporations dated December 30, 2024;
 - 1.4.2 Entity-wise review of Master Circular, in terms of having a Master Circular for Exchanges and separate Master Circular for Clearing Corporations;
 - 1.4.3 Merger of Master Circulars into a single set of directions for Stock Exchanges and Commodity Derivatives exchanges.
- 1.5 Accordingly, this Consultation Paper is second in the series of Consultation Papers to be issued in this regard. This Consultation Paper is prepared proposing changes in extant norms and devising a single consolidated circular

on Chapter 1 (Trading). Accordingly, the objective of this consultation paper is to seek comments/views/suggestions from public on the modifications to:

1.5.1 Chapter 1 (Trading) of Master Circular for Stock Exchanges and Clearing Corporations (“MSECC”) dated December 30, 2024, and

1.5.2 Chapter 1 (Trading) and Chapter 3 (Daily Price Limits and Position Limits) 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 (EODB) and reduce the compliance burden on exchanges.

Accordingly, this consultation paper is for combined guidelines for Stock Exchanges on the aforementioned Chapters and shall replace all the applicable provisions till August 31, 2025 in respect of Stock Exchanges (including Commodity Derivatives exchanges).

2. SUMMARY OF CHANGES SUGGESTED

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

Sr. No.	Current Provisions	Proposal	Rationale for change
1.	Paragraph 1.1. of Chapter 1 of MSECC outlines the information, timelines and process on bulk deal disclosure/reporting to be made by brokers to exchanges, and subsequently disseminated by exchanges to the market. Paragraph 1.2 of Chapter 1 of MSECC similarly defines block deals and outlines the conditions of trading	It is proposed that the disclosure related provisions for bulk deals and block deals of Paragraphs 1.1. and 1.2. may be merged together. It is also proposed that further clarity may be provided on bulk deal disclosure, i.e. bulk deal information be disseminated by exchanges at client level (i.e. at PAN level) executed across members.	Simplification, clarity: The existing requirements on bulk deal and block deal disclosures require information to be disseminated on common fields, viz. scrip name, client name, quantity of shares bought/sold and traded price. For both bulk and block deals, this information has to be disseminated to the public on the same day, after market hours. These provisions are being merged for simplicity. EODB: The existing provisions mandate disclosure of client level bulk deal at the exchange. However, presently, UCC level (and not client level)

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	and disclosure of such deals.		bulk deal disclosure is made by exchanges basis the information received from the trading members. As the data pertaining to client level trades is available with the Exchanges, they can directly disseminate this information, reducing correspondences with trading members and promoting ease of doing business for trading members as well as exchanges. Further, the regulatory intent is disclosure of bulk deal at client level, not UCC level (considering that clients may have multiple UCCs with different brokers as well as certain client categories are also allowed to have multiple UCCs linked to the same PAN with one broker). Presently for certain institutional category clients, Obligation Transfer Request (OTR) allocation is done after closing of market. The same is done at clearing corporation (CC) level. For disclosure of bulk deals data, exchanges may coordinate with CCs and consider OTR allocation data also before disseminating the information to the public.
2.	Paragraph 2.1. of Chapter 1 of MSECC discusses different cases for triggering index based market wide circuit breakers.	It is proposed that the different cases for triggering market wide circuit breaker be tabulated with trigger time and market halt duration.	Simplification: Tabulation will bring simplicity as the different cases and actions can be readily observed and understood for better clarity.

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3.	Paragraph 2.4 of Chapter 1 of MSECC discusses resumption of trading after a halt with a pre-open call auction.	It is proposed that the provisions of paragraph 2.4 be merged with paragraph 2.2 which discusses the mechanism of index based market-wide circuit breaker.	Simplification, clarity: Trading halt and resumption with a pre-open call auction is applicable for market wide price movements and not for scrip price fluctuations (for which fixed and dynamic price bands exist). The provisions of paragraph 2.4 are being moved to an appropriate place, which will also bring the different price band provisions together bringing more clarity and simplicity.
4.	Paragraph 2.5 of Chapter 1 of MSECC discusses dynamic price bands for scrips excluded from requirement of price bands. Paragraph 1.9.3 of Chapter 4 of MSECC on Comprehensive Risk Management for Cash Market and Debt Segment also discusses dynamic price bands under pre-trade risk controls.	It is proposed that the provisions on dynamic price bands in Chapter 4 be merged with the provisions in Chapter 1. In particular, Chapter 4 discusses various conditions for flexing the price bands, which will be brought to Chapter 1. The provisions on dynamic price bands in Chapter 4 are proposed to be subsequently deleted. Further, it is proposed that flex amount and cooling off period be tabulated with the different instances of flexing during the day.	Simplification: The merger of the provisions and deletion from Chapter 4 will avoid duplication and bring simplicity across different chapters. Tabulation of the flex amount and cooling-off period instance-wise provides a comparative idea of different scenarios for better clarity.
5.	Paragraph 2.6 of Chapter 1 of MSECC discusses price bands for IPO scrips and Re-listed scrips (for first day) in the normal trading session.	It is proposed that price bands for IPO scrips and Re-listed scrips for different cases of equilibrium price may be tabulated.	Simplification: Tabulation provides a comparative idea of different scenarios for better clarity.

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6.	Paragraph 2.6.2.3 of Chapter 1 of MSECC discusses scenarios where discovered/ equilibrium price is different in different stock exchanges and pursuant to call auctions.	It is proposed that the conditions for this scenario may be removed as the same are already discussed under the provisions of Call Auction in the Master Circular.	Simplification: Removal of duplicated provisions from this section will result in simplification.
7.	Paragraph 4.3. of Chapter 1 of MSECC outlines the margin requirements for availing margin trading facility (MTF)	It is proposed that this paragraph may be removed from MSECC and moved to the Master Circular for CCs.	Demerger of regulatory requirement pertaining to CCs
8.	Paragraph 4.4 has provisions on Liquidation of Securities by the Stock Broker in Case of Default by the Client.	It is proposed that the two clauses may be merged into one.	Simplification: It will lead to simplification
9.	Paragraph 4.5. of Chapter 1 of MSECC outlines the eligibility requirements for stock brokers to provide margin trading facility (MTF) to clients, which includes net worth requirement of INR 3 crores for a broker offering MTF to its clients.	It is proposed that net worth requirement for brokers offering MTF may be modified to INR 5 crores or higher as specified by stock exchanges, from current INR 3 crores.	Consistency and delegation: The minimum net-worth criterion of INR 3 crores was introduced in 2004 with the regulatory intent of allowing institutional participants to provide margin trading facility, as a safeguarding measure. However, this amount has not been reviewed post amendment of Stock Brokers Regulations 2022, the same may be revised to INR 5 crores or higher as specified by stock exchanges instead of the old requirement of INR 3 crores. This will provide flexibility to SEs to revise it from time to time without necessarily coming to SEBI.

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10.	Paragraph 4.5. of Chapter 1 of MSECC requires broker offering MTF to submit half-yearly net worth certificates to exchanges by April 30 and October 31.	It is proposed that the time period for submission of the net worth certificate be as under: 1. For Half Year (HY) ending September 30 – certificate submission within 45 days from end of half year 2. For HY ending on March 31 – within 60 days from half year end.	Consistency: SEBI, vide Circular No. SEBI/HO/MRD/MRD-PoD-2/P/CIR/2025/120, dated August 26, 2025, has relaxed the timelines to submit net worth certificate by Stock Brokers offering MTF to clients, wherein the timelines to submit net-worth certificate have been harmonized with those for declaration of the financial results as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
11.	Paragraph 4.8 of Chapter 1 of MSECC provides timelines for disclosure of stock brokers to exchanges on their MTF exposure on a daily basis as per formats for same in two Annexures, which also provide timelines.	It is proposed that the timelines provided in the Notes to the Annexures be removed as they are inconsistent with the timelines given in the main body of the provisions, which is also the correct and current market practice. The formats may also be made indicative so that exchanges can update it to seek additional information, if required.	Consistency: Removing discrepancy in timelines provided in main body of circular and those in annexures. Flexibility: For exchanges to update the format, if required.
12.	Paragraph 4.10. of Chapter 1 of MSECC on Maintenance of Records requires the broker to submit auditor certificate to exchanges on extent of compliance with MTF conditions with one month from end of half year.	It is proposed that the time period for submission of the auditor certificate be as under: 1. For Half Year (HY) ending September 30 – certificate submission within 45 days from end of half year	Consistency: SEBI, vide Circular No. SEBI/HO/MRD/MRD-PoD-2/P/CIR/2025/120, dated August 26, 2025, has relaxed the timelines to submit net worth certificate by Stock Brokers offering MTF to clients, wherein the timelines to submit net-worth certificate have been harmonized with those for declaration of the financial results as per Regulation 33 of

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		2. For HY ending on March 31 – within 60 days from half year end.	the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In order to maintain consistency, timeline for submission of auditor certificate may also be increased in line with timelines provided for net worth certificate submission.
13.	Paragraph 4.11. of Chapter 1 of MSECC discusses other conditions related to Margin Trading Facility. Clause 4.11.1, which requires broker to 'take adequate care and exercise due diligence' before providing MTF to a client. Clause 4.11.2 states that MTF trades shall be treated as normal trades for disputes arising between client and broker. Clause 4.11.3 states the utilisation of SGF and IPF for MTF trades and losses arising thereof.	It is proposed that clauses 4.11.1 and 4.11.2 may be deleted. The first part of clause 4.11.3 on use of SGF and IPF for transactions on the exchange is proposed to be deleted. The part on losses suffered in connection with MTF not being covered under IPF may be removed from here and moved to the appropriate paragraph on use of IPF in Chapter 6 of MSECC. Further, paragraph 4.11.4 may be merged with paragraph 4.1.1.	Redundancy, Consistency: The clauses proposed to be deleted are generic in nature and are superfluous in the extant context. It is already clear from the obligations and responsibilities outlined in the MTF related provisions that the broker needs to have in place adequate safeguards before extending MTF to its clients. Similarly, investor grievance redressal mechanism for disputes against brokers does not distinguish between normal and MTF trades, and all such disputes are covered. Neither does the exchange or CC distinguish between normal or MTF orders/trades on its platform – all such transactions therefore being covered under SGF/IPF.
14.	Paragraph 5.1. of Chapter 1 of MSECC provides the guidelines for market making (in the cash segment).	It is proposed that the existent guidelines for market making in the cash segment (i.e. not the SME segment) be removed.	Obsolescence: The existing provisions on market making in this paragraph of the Master Circular were issued in the year 2000 and have not been reviewed subsequently. As a

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			result, the provisions have become obsolete. Currently, there are no market making schemes under these provisions at any of the exchanges. Exchanges have preferred introducing market making through the provisions of liquidity enhancement schemes (LES), which are more flexible and principle-based. The proposal will result in removal of market making provisions which are rigid and limited to cash segment in favour of a principle based approach by merging with LES (discussed later).
15.	Paragraph 5.2 of Chapter 1 of MSECC has guidelines for market makers in the Small and Medium Enterprises (SME) Segment of the Exchange.	It is proposed that the following provision be appended to paragraph 5.2: <i>Market making shall also be required for companies listed pursuant to schemes of arrangement except in cases of demerger wherein the demerged company has already completed the requirement of mandatory market making.</i>	Clarification: Market making is mandatory for all companies listed in the SME segment as per the prescribed framework. However, during inspection of an exchange, it was observed that there was no clarity regarding market making of companies listed pursuant to schemes of arrangement, in particular the listing of a company resulting from a demerger (the demerged company is already listed on SME segment and resulting company is listed pursuant to demerger). In this regard, after discussions with exchange, it was finally clarified to one of the exchanges, vide letter dated June 13, 2025, that market making shall also be required pursuant to schemes of arrangement also, except in cases where the demerged

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			company has already complied with the requirement of mandatory market making. This clarification is being incorporated in the extant Circular for all exchanges with an SME segment for uniformity and clarity.
16.	Paragraph 5.2 of Chapter 1 of MSECC has guidelines for market makers in the SME Segment of the Exchange. Clause 5.2.2 discusses registration of the market maker by the exchange. Clause 5.2.4 require the exchange to disseminate the list of market makers for a scrip.	It is proposed that the requirement of dissemination of information on market makers be combined with the provision on registration for the market maker.	Simplification: The lone provision on dissemination is being combined for simplicity.
17.	Paragraph 5.2 of Chapter 1 of MSECC has guidelines for market makers in the SME Segment of the Exchange. Clause 5.2.3 discusses obligations and responsibilities of market makers. Clause 5.2.5 discusses the number of shares per market maker. Clause 5.2.6 discusses the risk management measures and monitoring for market makers.	It is proposed that the clause on number of shares per market maker be merged with the obligations and responsibilities of market makers. The explanation under clause 5.2.6 which states that <i>all applicable margins shall be levied and collected without any waiver/exemption</i> may be deleted. Further, the provisions on capital adequacy under risk containment measures be deleted as the same are already covered under the obligations and	Simplification: The lone provision with respect to number of shares per market maker is being combined with the obligations and responsibilities of market makers. The explanation on lack of margin waiver/exemption is superfluous and therefore proposed for deletion. The capital adequacy measures are already covered under clause 5.2.3.4, and are being removed to avoid duplication.

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		responsibilities of market makers.	
18.	Paragraph 5.2 of Chapter 1 of MSECC has guidelines for market makers in the SME Segment of the Exchange. Clause 5.2.6.2 direct exchanges to monitor market making with punitive action for violations, including monetary penalty, being decided by the ROC of the Exchange.	It is proposed that the mandate for deciding action for violations of market making guidelines be given to the Member Committee of the exchange instead of the ROC. Further, the clause may be removed from here and placed in the appropriate paragraph in Chapter 6 of MSECC.	Consistency, Rationalization, EODB: Entities which provide market making are usually members of the exchange. All penalties related to members are being decided by the Member Committee, as per mandate given by SEBI under paragraph 2 of Chapter 6 of the MSECC.
19.	Paragraph 6. of Chapter 1 of MSECC has provisions for liquidity enhancement schemes (LES) for illiquid securities in equity cash and equity derivatives. Paragraph 1.9. of Chapter 1 of MCCD has provisions for LES in the commodity derivatives segment. The provisions (for both paragraphs – non-commodity and commodity) includes principles for approval, implementation, monitoring and discontinuation of the schemes; the type of incentives that may be provided to liquidity	It is proposed that provisions for commodity derivatives be merged with provisions for equity cash and equity derivatives on following lines: 1. Inclusion of market making schemes, and other schemes which aim to enhance trading volume at the exchange under the same principle based approach. 2. Yearly approval of the scheme by the board of directors, quarterly monitoring (by the board), and half-yearly scheme effectiveness review be all replaced with half-yearly review by the board. This is to be uniform across all	Consistency, Flexibility, EODB: Aligning introduction, implementation and monitoring of market making schemes and other similar schemes with LES will result in a consistent, principle based approach across the different types of schemes that affect liquidity in a scrip or at the exchange overall. This broad framework will be made applicable to Cash, Equity Derivatives and Commodity Derivatives segment. Further, the changes will provide flexibility to the exchanges with respect to such schemes as well as liquidity enhancers / market makers. <u>Background of LES and rationale for proposed changes</u> SEBI introduced LES in commodity derivatives contracts in 2018 by referencing existing guidelines

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	enhancers; the extent to which an exchange may allocate its revenue/profits towards incentives; conditions to be met for ensuring market integrity; eligibility criteria for liquidity enhancers / market makers, etc.	segments, including for commodities derivatives. 3. Deletion of clause 6.1.2.1 which is redundant and superfluous when considering the other changes proposed on approval and continuity of such schemes. The clause states that the exchange can introduce LES on any security and once the scheme is discontinued, the scheme can be re-introduced on the same security. 4. In addition to obligations of liquidity enhancers / market makers, exchanges shall also prescribe eligibility criteria for them. The criteria and obligations should include capital adequacy, net worth, infrastructure, minimum volume of business, etc. 5. Such schemes shall not create artificial volumes, does not take away liquidity from the market, is not manipulative in nature and shall not lead to mis-selling of	of 2014 for LES in equity cash and equity derivatives segments, and through prescription of additional commodity specific guidelines. Through another commodity derivatives specific circular in 2019, some exemptions were made for exchanges in early years of its formation/commencement of business. At that point, introduction of LES required prior approval of exchange board and its implementation and outcome monitored by the board at quarterly intervals. Further, such schemes were valid for a maximum period of three years and once discontinued could be re-introduced only within the three-year period of its initial validity. Also, the guidelines required quarterly monitoring of outcome/implementation (by the board) and another review of scheme effectiveness every six months, for which half-yearly reports are submitted to SEBI. Subsequently in 2021, LES guidelines were revised for equity cash and equity derivatives to change validity to one year, which could be extended with yearly board approval. Once an LES was discontinued, the scheme could be re-introduced. However, the commodity derivatives circular continued to reference the earlier circulars for equity LES of 2014, which led to a

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		the product in the market. 6. The list of securities for which LES / market making / any other scheme under these provisions has been introduced shall be disseminated to the market. 7. For provision related to market integrity, the exchange shall ensure that incentives shall not be provided for trades where the counterparty is self, i.e. PAN level (earlier UCC level only). 8. Exchanges may be given flexibility to formulate "Liquidity criteria" for security on which LES not allowed to be launched by other exchange in ISF. 9. It has been proposed to allow exchanges commencing business in a new segment (during the first five years of operation in that segment) to provide incentives up to 25% of their net-worth for such schemes introduced by them provided that 25% limit shall be the overall limit for such schemes launched	divergence between the LES provisions of commodity derivatives segment vis-a-vis equity cash/ derivatives. As an EODB measure, the proposed modifications replace the yearly scheme validity and the several reviews/ monitoring over different timelines with a single half-yearly review by the board, based on which the scheme may be continued/ discontinued. The submission of half-yearly reports to SEBI on scheme effectiveness is proposed to be done away with. The LES compliance requirements for equity, equity derivatives and commodity derivatives segments are proposed to be made uniform. This includes extending exemptions for newly formed/ commenced exchanges in segments beyond commodity derivatives. Further, this exemption has been enhanced to newly commenced segments such that an existing exchange commencing business in a new segment may be able to benefit from this exemption. Further, as an EoDB measure, for exchanges who have not attained net profitability or do not have free reserves, a new provision has been proposed to utilize up to 10% of the audited net worth as yearly incentives earmarked for LES for a maximum period of 5 years.

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		across all segments. However, after completion of five years, the incentives shall not exceed 25% of the net profits or 25% of the free reserves of the stock exchanges. 10. Further, for those exchanges who have not been able to attain net profitability and do not have any free reserves, the Exchanges may provide yearly incentives earmarked for LES up to 10% of the audited net-worth (as on last day of the previous financial year) for a maximum period of five years, provided that all other regulatory requirements are met.	It may be noted that other provisions which were specific to commodity derivatives or formulated to protect market integrity have been retained. Market making schemes are being merged into the framework, with deletion of the earlier prescriptive provisions in the Master Circular. This is considering the common nature and purpose of the two types of schemes. Similarly, the exchange has been given the flexibility to introduce similar schemes with a purpose to enhance trading volume [in a scrip(s) or segment], say through waiver in connectivity and support charges. The exchange has been given the mandate to prescribe eligibility criteria and obligations for market makers / liquidity enhancers for all such schemes which shall include capital adequacy, net worth, infrastructure, minimum volume of business, etc. Other minor changes have been proposed to make the provisions general and applicable across schemes (which were earlier meant for LES only). Further, earlier, exchanges were supposed to disseminate the entire list of scrips eligible for LES, instead, modification has been made to disseminate only those scrips for which LES/market making/any other scheme under these

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			provisions has been introduced by exchange.
20.	Paragraph 7.1. of Chapter 1 of MSECC has provisions not permitting negotiated deals, with exemptions for Foreign Portfolio Investors (FPIs) and Public Sector Enterprises (PSEs). Further, there is a provision that 'All or None' or 'Minimum Fill' orders are not to be allowed in trading systems of exchanges. Paragraph 1.9.2 of Chapter 4 of MSECC on Comprehensive Risk Management for Cash Market and Debt Segment discusses order-level checks under the broad heading of pre-trade risk controls.	It is proposed that: 1. Header may be changed from 'Negotiated Deals' to 'Order and Trade Types', since the paragraph contains provisions beyond negotiated deals (post the other proposed changes). 2. Explanations on where negotiated deals are not permitted need not be elaborated as they have become obsolete. 3. Exemptions for FPIs may be removed since these provisions have become obsolete. 4. Order-level checks from Chapter 4 may be included under this paragraph.	Removal of Obsolete provisions: It is understood that FPI limits are being monitored by Depositories and information shared to Exchanges on daily basis, which subsequently disseminate the information. FPIs are required to square off such position leading to breach in FPI limits. Hence, in present scenario, such provision may not be needed. Other provisions are just consolidation and simplification.
21.	Paragraph 8 of Chapter 1 of MSECC discusses requirement of Permanent Account Number (PAN) in the securities market, with different uses and exemptions for certain categories of investors	It is proposed that: 1. The clauses for exemption be simplified and consolidated. 2. Outdated clauses for PAN verification for FPIs be updated to refer to the detailed process as prescribed in Master	Simplification of language, removal of obsolete provisions for FPIs

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		Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors. 3. Updated provisions to be merged with those with unique client code under the heading “Unique client code (UCC) and mandatory permanent account number (PAN) requirements”	
22.	Paragraph 9.2 of Chapter 1 of MSECC discusses Pro-account Trading Terminal.	It is proposed that: 1. Language on paragraph 9.2.1 may be simplified 2. In paragraph 9.2.2.3, the exchange may frame a policy for extending facility to a member to use pro-account through trading terminals from more than one location. The same shall be on ‘need’ basis.	Simplification Language simplified for para 9.2.1 Rationalization By forming a policy, the process of extending facility to a member to use pro-account through trading terminals from more than one location, can be rationalized and made consistent.
23.	Paragraph 10 of Chapter 1 of MSECC introduces the framework for short selling and securities lending and borrowing (SLB). The detailed guidelines have been discussed at	It is proposed that: 1. The provisions pertaining to CC, i.e. Annexure 4, is being demerged from the Circular. 2. The provisions pertaining to exchanges, i.e. Annexure 3 have	Clarification, Simplification, EODB: The provisions of MSECC are proposed to be divided between Exchanges and CCs. While Annexure 3 on short selling pertains mostly to stock exchanges, Annexure 4 on SLB pertains to mainly to clearing corporations. Therefore, Annexure 4 has been deleted from this

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	Annexures 3 and 4 of MSECC.	been brought to the main body. Certain modifications have been made to bring clarity to the provisions, as follows: 1. <i>'All classes of investors shall be permitted to short sell.'</i> – specific mention of retail and institutional investors has been removed, since it led to confusion as to whether proprietary traders were allowed to short sell. 2. <i>'No institutional investor shall be allowed to do day trading i.e., square-off their transactions intra-day. In other words, all transactions would be grossed for institutional investors at the custodians' level and the institutions would be required to fulfil their obligations on a gross basis. The custodians, however, would continue to settle their deliveries on a net basis with the stock exchanges clearing corporations.'</i> – mandate has been appropriately	Circular, which is meant for exchanges (it will be included in the Circular for CCs), while Annexure 3 has been brought to the main body for better clarity. Other modifications have been made for simplification.

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		amended from as per actual practice. 3. <i>'The stock exchanges shall frame necessary uniform deterrent provisions and take appropriate action against the brokers for failure to deliver securities at the time of settlement which shall act as a sufficient deterrent against failure to deliver'</i> – mandate for uniform deterrent provisions may be deleted from exchange obligations and moved to Master Circular for CCs. 4. <i>'A scheme for Securities Lending and Borrowing (SLB) shall be put in place to provide necessary impetus to short sell.'</i> – this provision has been deleted as such a framework has already been put in place, and therefore the provision is redundant. 5. <i>'The brokers shall be mandated to collect the details on scrip-wise short sell positions, collate the data and upload it to the stock exchanges before the commencement of trading on the</i>	

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		<i>following trading day. The stock exchanges shall then consolidate such information and disseminate the same on their websites for the information of the public on a weekly daily basis. The frequency of such disclosure may be reviewed from time to time with the approval of SEBI.</i> – the disclosure frequency has been changed from weekly to daily to align policy with current practice.	
24.	Paragraph 11 of Chapter 1 of MSECC discusses the provisions related to Securities Transaction tax.	Modifications have been made to simplify language.	Simplification of language
25.	Paragraph 14 of Chapter 1 of MSECC discusses the provisions related to use of unique client code (UCC) in the securities market. Further, it discusses the different scenarios where modification of client codes is permitted and penalty for unacceptable modifications.	It is proposed that: 1. In case of other entities (PAN exempt categories), the frequency of submission of information pertaining to UCC by brokers may be specified by exchanges. 2. Client code modifications may be permitted from the Market Makers to the AMC, viz. associated ETF scheme(s), without levy of penalty.	EODB/Simplification: <u>Client Code Modification by the Market Maker (MMs) to the AMC, viz. associated ETF scheme(s):</u> i. As per the extant provisions of IMD Master Circular, MMs have been permitted to transact in the basket for securities underlying the ETF against equivalent transaction in units of ETF and transfer the net obligation of such transaction in ETFs for unit creation/ redemption. ii. In order to enable the aforesaid transfer of net obligation to associated

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		3. The exchanges may allow multiple client codes linked to same PAN for certain client categories and modification within such client codes without levy of penalty. The Exchanges in consultation with Industry Standards Forum (ISF) may come up with a common list of client categories without compromising on risks like tax evasion, potential misuse such as circular trading or artificial volume creation etc. 4. For FPIs, Obligation Transfer Request (OTR) allocation of CP codes at CC level may be allowed for different PANs within a FPI group/family managed by same Investment Manager. 5. OTR allocation at CC level for all institutional categories should be monitored for change in beneficial ownership. 6. Para 14.3.1.3 may be simplified while retaining both the provisions. 7. Penalty levied by Exchanges and Clearing Corporations should be uniform for modification of client	AMCs of ETFs, change in client code without levy of any penalty may be allowed. <u>Client Code Modification by various client categories:</u> i. Stock Exchanges allow multiple UCCs under a single PAN for different category of investors. Such entities include Institutional clients (FPIs, Mutual Funds, Banks, Domestic Financial Institutions (DFIs), Insurance Companies, Pension Funds etc.) and non-institutional clients (Portfolio Management Services (PMS), Non Resident Indians (NRIs) etc. (The indicative list may be referred in SEBI consultation paper on modification of UCC dated June 20, 2025). ii. In respect of these clients, there is no change with respect to trade obligation / ownership pre and post client code modification if the PAN of the original client code and PAN of modified client code are same. iii. In view of above and as an EODB measure, modification of client codes is being allowed if such codes are linked to the same PAN. The Exchanges may jointly come up with a common list of client categories for whom multiple UCCs linked to same PAN may be allowed. However, exchanges would ensure that while allowing such client categories, risks

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		codes and OTR allocations. 8. Wrt para 14.3.2.2, the requirement of conducting special inspection of trading members to ascertain whether modification of client codes being done to rectify genuine errors may be replaced with “monitoring on regular basis”. Further, the phrase ‘if any deficiency observed’ may be removed as it is self-explanatory for exchanges to take action in case value of modified trades exceeds 1% during a month. Moreover, provision in para 14.3.4.5 on taking action against broker undertaking frequent client code modifications may be merged here with 14.3.2.2. 9. In order to accommodate genuine errors, the waiver given to a stock broker for modification in a client code may be increased from once in a quarter. It is being made once in a month. 10. Requirement to submit quarterly report to SEBI on all client code modifications penalty	like tax evasion, potential misuse such as circular trading or artificial volume creation etc. shall not be compromised. <u>Allocation of trades within a FPI family/group and Allocation of institutional trades:</u> i. As an EODB measure towards operational convenience, allocation of trades [referred as Obligation Transfer Requests (OTR) allocation] for FPIs may be done by CCs within same family/group managed by an Investment Manager. ii. Further, allocation beyond the family grouping is currently identified by CC, based on the family grouping provided by Members and is subject to penalty. However, the penalty structure at CC is different from that levied by exchanges for modification of client codes. Both are proposed to be harmonised and the penalty structure presently provided in MSECC may be followed by both exchanges and CCs. Proposals at 5, 6 and 7 in adjoining column pertaining to OTR allocation shall be considered for inclusion in circular for CCs. <u>Regular monitoring instead of special inspection</u> Continuous monitoring of modification of client codes may be undertaken by Stock

Sr. No.	Current Provisions	Proposal	Rationale for change
		waivers may be discontinued. 11. For the purpose of clarification, in penalty structure provisions, 'institutional/non-institutional considered separately' has been added.	Exchanges instead of special inspection and necessary steps can be taken by exchanges in case of deficiency observed. <u>Increasing waiver for genuine errors</u> As an EODB measure, number of waivers for genuine errors is being enhanced. Instead of once in a quarter, it is proposed to be once in a month. <u>Discontinuation of quarterly report on client code modification waivers</u> As an EODB measure which will reduce unnecessary compliance burden on the exchanges, the report may be discontinued. <u>Clarification in penalty structure provisions</u> The practice at exchanges is to consider institution and non-institutional category separately for calculation of applicable penalty. To reflect the same, the modification has been made.
26.	Paragraph 15 of Chapter 1 of MSECC discusses principles under which MIs can levy and collect charges from their members and the end clients.	It is proposed that: 1. Provisions specific to charges in commodity derivatives be merged into the circular. 2. Provisions related to fairness of transaction charges be combined and merged appropriately.	Simplification: The language has been simplified and made specific for exchanges. Commodity derivatives specific provisions have been merged.

Sr. No.	Current Provisions	Proposal	Rationale for change
		3. Other changes for simplification including deletion of the context.	
27.	Paragraph 16. of Chapter 1 of MSECC directs stock exchanges and clearing corporations and their members to preserve records of documents related to investigation by enforcement agencies like CBI, Police, Crime Branch etc. Paragraph 1.13 of Chapter 1 of MCCD reiterates the same provisions for maintenance and preservation of records for commodity segment of exchanges.	To be merged and updated in Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations.	Simplification and removal of redundancy as provisions on preservation of records are already there in SECC Regulations.
28.	Paragraph 17.1.12 pertains to applicability of risk management provisions of cash market to pre-open call auction session. Paragraph 17.1.13 pertains to requirement of margin sufficiency at order level for inclusion in pre-open session.	Para 17.1.5 is same as para 17.1.13. Hence, the latter has been deleted. Further, provision in para 17.1.12 has been consolidated with those in para 17.1.5. As this merged provision pertains to CC, the same may be moved to CC Circular Wrt paragraph 17.1.5, it is proposed to remove redundancy and	Redundancy, Simplification, Demerger of regulatory requirement pertaining to CCs

Sr. No.	Current Provisions	Proposal	Rationale for change
	Paragraph 17.1.15 pertains to issuance of necessary guidelines by stock exchanges regarding call auction in pre-open session.	simplify the provision. The same will be read as under: “The Stock Exchanges shall issue the necessary guidelines in this regard, including scenario analysis with examples”.	
29.	Paragraph 17.1 of Chapter 1 of MSECC on Call Auction in Pre-Open Session discusses the price bands and other features for all scrips that are not classified as illiquid. Paragraph 17.2 of Chapter 1 of MSECC on Call Auction in Pre-Open Session for IPO and Relisted scrips also discusses the price bands and other features of eligible scrips.	Price band and other features for all scrips that are not classified as illiquid, at paragraph 17.1 as well as those for IPO and relisted scrips at Paragraph 17.2 may be merged and tabulated.	Simplification: Tabulation provides a comparative idea of different scenarios.
30.	Paragraph 17.2 of Chapter 1 of MSECC discusses provisions on Call Auction in Pre-open session for IPO and Re- listed scrips. Paragraph 17.2.3 pertains to Risk Management provisions on Call Auction in pre-open session for IPO and re-listed scrips.	Following are proposed: 1. To delete risk management provisions in paragraph 17.2.3 and move them to Circular on Clearing Corporations. 2. Remove word ‘both’ such that provision will be read as “..... between the	Demerger of regulatory requirement pertaining to CCs – For paragraph 17.2.3 Simplification, EODB: Exchanges can examine alerts and levy penalties or take disciplinary actions as necessary to ensure orderly behavior.

Sr. No.	Current Provisions	Proposal	Rationale for change
	Paragraph 17.2.4 pertains to uniformity of date of commencement of pre-open session for eligible scrips. Paragraph 17.2.5.3 requires exchanges to provide a report to SEBI by end of day (EOD) on alerts from surveillance of pre-open call auction sessions.	stock exchanges”. 3. Requirement for submission of day-end report to SEBI may be removed. Exchanges may initiate appropriate penalty or disciplinary actions at their end.	
31.	Paragraph 17.4.1.12 of Chapter 1 of MSECC discusses provisions related to deposit of penalty collected to Investor Protection Fund.	It is proposed that this provision may be removed as under Chapter VI of MSECC, it is already prescribed that penalties shall be deposited in IPF.	Redundancy
32.	Paragraph 17.5.1.1 of Chapter 1 of MSECC discusses provisions related to Introduction of Call Auction stocks having derivative contracts prior to undergoing scheme of arrangement/ corporate restructuring	It is proposed to delete the phrase “.....in cases of Corporate Debt Restructuring (CDR) package in terms of the CDR Mechanism prescribed by RBI”. Instead, “Prudential Framework for Resolution of Stressed Assets” may be mentioned.	Redundancy as corporate debt structuring/resolution is primarily governed by the Prudential Framework for Resolution of Stressed Assets prescribed by RBI and the statutory framework provided by the Insolvency and Bankruptcy Code (IBC), 2016.
33.	Paragraph 17.5.1.2 of Chapter 1 of MSECC discusses provisions related to conducting pre-open call auction session for securities that are being admitted to trading from another	It is proposed that “MOU” word may be deleted as it is no longer relevant.	Obsolescence MOU has been removed, as such memoranda were between erstwhile regional SEs and NSE/BSE. This is not relevant any more, in the current scenario.

Sr. No.	Current Provisions	Proposal	Rationale for change
	exchange by way of MOU.		
34.	Paragraphs 17.6.2 and 17.6.3 pertain to addressing concerns related to variance in market price and book value of ICs and IHCs.	It is proposed to merge both the provisions.	Simplification
35.	Paragraph 17.3 of Chapter 1 of MSECC on Call Auction at Multiple Stock Exchanges pursuant to IPO, relisting has an illustration on calculation of the common equilibrium price (CEP). Paragraph 2.6 of Chapter 1 of MSECC on Trade Controls in Normal Session for IPO and Relisted Scrips also has the same example. Paragraph 17.6.4.1 of Chapter 1 of MSECC on Criteria for identification of scrips eligible for special call auction has two illustrations on book value and 6-month VWAP.	It is proposed to remove these examples/ illustrations/ explanations from the Master Circular and also simplify the language.	Simplification: Since the examples/ illustrations/ explanations are for MIIIs, they do not serve any purpose, considering the provisions are dated and operational already. Further, these particular illustrations do not aim to clarify any difficult scenario but merely to illustrate the provision already mentioned (explanations which add clarity are not being deleted from the Master Circular).
36.	Paragraph 18.1 of Chapter 1 of MSECC on Reconciliation of Share Capital Audit directs issuer companies to undergo a share capital audit for reconciliation of the	It is proposed that the details of the audit report may be deleted from the Master Circular.	Simplification: The reconciliation of share capital primarily falls under the regulatory scope of Depositories, and is discussed in the Master Circular for Depositories. Exchanges only have the specific responsibility

Sr. No.	Current Provisions	Proposal	Rationale for change
	total admitted capital with both the Depositories and the total issued and listed capital. Paragraph 18.2 provides details of the aforesaid audit.		of receiving this report from companies listed at them and ensuring that any differences identified in the audit report is brought to the notice of SEBI and the Depositories. This portion of the Circular may be retained and the rest may be removed since the Master Circular for Exchanges need not include provisions/ directions primarily/ exclusively for Depositories.
37.	Paragraph 18.3.3 of Chapter 1 of MSECC pertains to actions that may be initiated against issuer companies in case of violations with respect to SEBI LODR Regulations.	It is proposed to remove this provision as in case of such violation, appropriate action can always be initiated by the regulator. It does not require explicit mention.	Simplification
38.	Paragraph 19.1 of Chapter 1 of MSECC discusses offer for sale of shares by promoters through stock exchange mechanism	It is proposed that provisions related to risk management, settlement and Handling of Default in Pay-in may be removed from MSECC and moved to CC Master Circular. Few specific obligations of exchanges with respect to handling of default in pay-in may also be retained in this Circular.	Demerger of regulatory requirement pertaining to CCs
39.	Paragraph 20.1 of Chapter 1 of MSECC pertains to	Following are proposed: 1. To mention the list of recognized segments at the	Clarification and Simplification: The Master Circulars for Exchanges (including for commodity

Sr. No.	Current Provisions	Proposal	Rationale for change
	introduction of new segment. Paragraph 1.1 of Chapter 1 of MCCD discusses Trading Hours and Holidays for the commodity segment at exchanges. Paragraphs 1 to 4 of Chapter 5 of MSECC on Exchange Traded Derivatives discusses trading hours for different equity derivative products, viz. Index Futures, Index Options, Stock Futures and Stock Options, at the respective paragraphs.	Exchanges as under: a) Equities including SME segment b) Equity Derivatives c) Debt Segment including Request for Quote (RFQ) platform d) Currency Derivatives including Interest Rate Derivatives e) Commodity Derivatives f) Social Stock Exchange Segment g) Electronic Gold Receipts (EGRs) 2. The paragraphs on trading hours and holidays for equity and commodity derivative products be merged and inserted in Chapter 1 (Trading) of MSECC. The merged provisions in Chapter 1 of MCCD and Chapter 5 of MSECC may be deleted. 3. The heading of the paragraph may be changed to "Trading Segments, Trading Hours and Holidays"	derivatives/ segment) are being consolidated.
40.	Paragraph 20.2. of Chapter 1 of MSECC	Deletion of Paragraph 20.2. of Chapter 1 of	Rationalization and Redundancy

Sr. No.	Current Provisions	Proposal	Rationale for change
	outlines trading guidelines for a dedicated debt segment on stock exchanges.	MSECC on dedicated debt segment.	Currently, there are no trades in the dedicated debt segment. Further, removal of the segment / provisions has also been suggested by exchanges. However, it is noted that Department of Debt and Hybrid Securities (DDHS) of SEBI has permitted request for quote (RFQ) platform as extension of debt segment. Further, all debt market related regulatory provisions are now being issued by DDHS. Since this segment has not taken off and these provisions have become redundant, it is proposed that these provisions may be referred to DDHS to examine and, if required, re-issue as per current realities/practices in debt market.
41.	Paragraph 21.2 of Chapter 1 of MSECC outlines the policy for annulment of trades	It is proposed that the following modification may be made to clause 21.2.5 of this paragraph (underlined words to be added): ‘In order to bring about uniformity and transparency in the process of trade annulment, stock exchanges are advised to be guided by the following provisions with regard to the mechanism for annulment (or by whatever named called) of trade(s) resulting from material mistake or erroneous orders <u>or</u>	Flexibility: The amendment is proposed for operational flexibility.

Sr. No.	Current Provisions	Proposal	Rationale for change
		<u>such other situation requiring annulment:’</u>	
42.	Paragraph 22 of Chapter 1 of MSECC pertains to issue of depository receipts.	It is proposed to remove these provisions from MSECC and the same may be moved to the master circular of respective department.	Rationalization Most of the provisions pertains to listed companies and hence, may be removed from MSECC and may be issued for companies by CFD, SEBI.
43.	Paragraph 24 of Chapter 1 of MSECC pertains to facilitating transaction in Mutual Funds through Stock Exchange Infrastructure.	It is proposed to delete these provisions from MSECC and the same may be moved to the master circular of the respective department.	Rationalization It is a facilitating provision for transactions in mutual funds between AMCs and investors. The same may be sent to IMD for inclusion in relevant Circular.
44.	Paragraph 25 of Chapter 1 of MSECC discusses Trading supported by Blocked Amount in Secondary Market	It is proposed that the provisions may be updated with the new circular SEBI/HO/ MRD-PoD2/CIR/P/ 2024/153 dated November 11, 2024 issued post consolidation of last MSECC. Further, Settlement and related provisions (Paragraphs 25.8 to 25.14) may be moved to Master Circular on CC.	Demerger 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. Therefore, such circulars pertaining to this section- Trading at Stock exchanges are also being incorporated herein. Settlement and other related provisions pertain to CC, hence moving them to its Master Circular.
45.	Paragraph 9.1 of Chapter 1 of MSECC and paragraph 1.6 of Chapter 1 of MCCD requires stock broker to disclose to clients on whether he does proprietary trading also.	It is proposed that the paragraphs may be deleted from MSECC.	Simplification: The provisions are directions to brokers and not directly on Exchanges. They have been covered in the Master Circular for Stock Brokers. Deleting them from MSECC will avoid duplication of provisions across MRD and

Sr. No.	Current Provisions	Proposal	Rationale for change
	Paragraph 12 of Chapter 1 of MSECC on Time Stamping of Orders require brokers to maintain time of order placement and mention in contract note along with order execution time. Paragraph 23 on Power of Attorney (PoA) has guidelines of execution of PoA by clients to brokers/depository participants (DPs), its limitations and prevention of its misuse. The paragraph also discusses the more recent instrument Demat Debit and Pledge Instruction (DDPI) and how it replaces PoA.		MIRSD Master Circulars of SEBI.
46.	Paragraph 1.9 of Chapter 4 (Comprehensive Risk Management for Cash Market and Debt Segment) of MSECC discusses various pre-trade risk controls which includes: 1. Order-level checks, such as limits on value/quantity per order and cumulative value of unexecuted orders	It is proposed that: 1. Order-level checks be included under Order and Trade Types (renamed from Negotiated Deals). 2. The provisions of Dynamic price bands be merged with existing provisions under Paragraph Circuit Breaker / Price Bands.	Simplification Removal of redundancy (between Chapter 1 and Chapter 4) and simplification for better understanding.

Sr. No.	Current Provisions	Proposal	Rationale for change
	2. Dynamic price bands on stocks for which derivative products are available and index/stock futures. Risk Reduction Mode for brokers whose collateral gets utilized beyond a threshold	(Paragraph on Risk Reduction Mode may be left in Chapter 4).	
47.	The following paragraphs in MCCD do not have corresponding provisions in MSECC: 1. Spot Price Polling (Para 1.3), 2. Framework for Utilization of Regulatory Fee Forgone by SEBI (Para 1.10), 3. Disclosure Requirements for stock exchanges on their websites (Para 1.15), 4. Disclosures regarding commodity risks by listed entities (Para 1.16)	It is proposed that the paragraphs be simplified and moved from Chapter 1 of MCCD to Chapter 1 MSECC. Wherever the provisions are specific to a particular segment, the same may be mentioned.	Simplification: The Master Circulars for Exchanges (including for commodity derivatives/ segment) are being consolidated.
48.	Paragraph 1.8 of Chapter 1 of MCCD pertains to sharing of information in case of declaration of member as defaulter in case of multiple membership. Paragraph 1.11 of Chapter 1 of MCCD	It is proposed that these provisions may be moved to relevant chapter of MSECC.	Consistency These provisions do not specifically pertain to Chapter 1 Trading.

Sr. No.	Current Provisions	Proposal	Rationale for change
	pertains to price dissemination through SMS/Electronic Communication Facility. Paragraph 1.12 of Chapter 1 of MCCD pertains to programmes sponsored by the Exchanges through Media Channels.		
49.	Paragraph 1.2 of Chapter 1 of MCCD are on Transaction Charges levied by the Stock Exchanges. Paragraph 15 of Chapter 1 of MSECC also covers Transaction Charges. Paragraphs 1.4 and 1.5 of Chapter 1 of MCCD has provisions on Unique Client Code (UCC) and Mandatory Requirement of PAN. Paragraphs 14 and 8 of Chapter 1 of MSECC outline provisions for UCC and PAN also. Paragraph 1.7 of Chapter 1 of MCCD discusses “pro-account” trading terminals. This is already covered in	It is proposed that the provisions in MCCD are merged with the corresponding paragraph in MSECC, while also aligning provisions specific to any segment.	Simplification, EODB: Removal of duplicate provisions will lead to simplification. After inclusion in MSECC, the corresponding paragraphs from MCCD will be rescinded.

Sr. No.	Current Provisions	Proposal	Rationale for change
	Paragraph 9.2 of Chapter 1 of MSECC. Paragraph 1.9 of Chapter 1 of MCCD discusses Liquidity Enhancement Schemes (LES) in commodity derivatives. LES schemes in equity cash and equity derivatives segments are covered under Paragraph 6.1 of Chapter 1 of MSECC.		
50.	Paragraph 1.10.4 of Chapter 1 of MCCD under Framework for Utilization of Regulatory Fee Forgone by SEBI outlines the types of activities for utilization of the fund for benefit of farmers/ FPOs by the exchange, among which the farmers/ FPOs may be incentivized to participate in “options in goods” by incentivizing option premium (clause 1.10.4.ix). Paragraph 1.10.7 of Chapter 1 of MCCD advises exchanges to include the details of the corpus of the fund and its utilization in the	It is proposed that along with options in goods, farmers/FPOs may also be incentivized to participate in options on futures by using the option premium paid by them. Further, since submission of Monthly Development Report (MDR) by exchanges has been discontinued, the provision related to it is proposed to be removed.	EODB: Options on futures, which are also commodity derivative products, may be included as part of this provision, for incentivizing wider participation of farmers/ FPOs in such products. The same has also been suggested by the market.

Sr. No.	Current Provisions	Proposal	Rationale for change
	Monthly Development Report (MDR).		
51.	Paragraph 1.14 of Chapter 1 of MCCD states that participants in forward segment are not allowed to enter into fresh contracts.	It is proposed that the provision may be deleted.	Obsolescence
52.	Paragraph 1.15 of Chapter 1 of MCCD pertains to Disclosures Requirements for stock exchanges on their websites. Paragraph 1.15 of Chapter 1 of MCCD pertains to Disclosures regarding commodity risks by listed entities	It is proposed that the disclosures required in these paragraphs may be included in Chapter 1 of MSECC, as follows: 1. Disclosures which are generic in nature may be extended to all segments– a. Position of top 10 trading clients in buy/sell side anonymously in order of maximum open interest every day after the end of trading session. b. Members' prop position on monthly basis, including average daily prop position (during the month) as a percentage of member's average daily total position (including clients) and average daily margin on prop position (during the month) as a percentage of margins on member's average	Consistency

Sr. No.	Current Provisions	Proposal	Rationale for change
		daily total position (including clients). c. Percentage of prop and client trade done, and percentage of this trade by algorithmic trading/ HFT, displayed before opening of markets on the next day. d. Members' data (as mentioned in annexure on format for dissemination of member's data). e. List of members whose request of surrender has been approved by exchange, along with date of approval. f. Information on suspended/ expelled/defaulters members. g. Information on disablement of member terminals. 2. Disclosures specific to the commodity segment may be mentioned separately– a. Delivery intent of hedgers on a daily basis in an anonymous manner. b. Pay-in and pay-out of commodities made by top 10 clients including hedgers 10	

Sr. No.	Current Provisions	Proposal	Rationale for change
		days after completion of settlement. c. Information regarding trading activity during life cycle of contract (as per annexure on disclosure of information regarding trading activity during life cycle of contract). d. Category-wise disclosure of Open Interest and turnover (as per formats in annexure) e. Disclosures regarding commodity risks by listed entities 3. Disclosures related to CCs which may be removed from this Circular and included in the Master Circular for CCs– a. Break up of funds contributed into Settlement Guarantee Fund updated on quarterly basis	
53.	Paragraphs 3.1 to 3.3 of Chapter 3 of MCCD pertains to provisions on Daily Price Limits for the commodity segment	It is proposed to move/ merge the provisions related to Daily Price Limits in Chapter 3 of MCCD (paragraphs 3.1 to 3.3) into Chapter 1 of MSECC.	Simplification: The Master Circulars for Exchanges (including for commodity derivatives/ segment) are being consolidated. The concept of Daily Price Limits is very similar to that of Price Bands, and is a mechanism implemented by

Sr. No.	Current Provisions	Proposal	Rationale for change
		The provisions for the calculation of closing price or Daily Settlement Price (DSP) may be simplified.	the exchange to prevent orders beyond a certain price limit for commodity derivatives. Therefore, for consistency the provisions should be included under Chapter 1 of MSECC. Further, with respect to calculation of closing price, while clearing corporations carry out this function, the requirement here is incidental to the setting of DPL. Hence the requirement and process of calculating closing price or DSP is being retained in the directions for exchanges (instead of moving to the directions for clearing corporations).
54.	Paragraph 3.3.6 of Chapter 3 of MCCD requires stock exchanges to inform SEBI of all such instances of relaxation of DPL in MDR being submitted to SEBI	Since submission of Monthly Development Report (MDR) by exchanges has been discontinued, the provision related to it is proposed to be removed. Extreme events should be informed by SEs/CCs <i>suo-moto</i> directly to the department concerned.	Consistency and EODB

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 1 of Master Circular for Stock Exchanges and Clearing Corporations dated December 30, 2024 and the Chapters 1 and 3 of Master Circular for Commodity Derivatives dated August 04, 2023 be merged?

3.1.2 Whether provisions related to Stock Exchanges and provisions related to Clearing Corporations covered in Chapter 1 of Master Circular dated

December 30, 2024, and Chapters 1 and 3 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 Wherever any provisions such as those related to discontinuation of Dedicated Debt Segment, Market Making, etc. which are proposed to be removed, result in any risks for the securities market in general, investors in particular? Safeguards to protect against such risks?
- 3.1.5 Whether any other circular/communication needs to be incorporated in the revised Chapter on 'Trading at Stock Exchanges'?
- 3.1.6 With respect to paragraph 17.2.3 of Chapter 1 of MSECC, whether the differentiation in risk management provisions for call auction pre-open session is required in terms of issue size of IPO?
- 3.1.7 For the paragraph related to Trading Supported by Blocked Amount through the Unified Payments Interface (UPI) in Secondary Market, settlement related provisions have been proposed to be moved to the Master Circular on CCs, while retaining provisions related to the general features of the facility, responsibilities of Qualified Stock Brokers (QSBs) and the process of validation and blocking using UPI under the purview of exchanges. In this regard, whether any provisions which have been retained with exchanges should be moved to CCs, and vice-versa, whether any provisions moved to CC should be under the purview of exchanges?
- 3.1.8 Specific comments on the detailed provisions in this consultation paper.
- 3.1.9 Any other comments and suggestions.

- 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**. The comments/suggestions should be submitted latest by **January 30, 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>

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

3.3.1 Before initiating the process, please read the instructions given on top left of the web form as "Instructions".

- 3.3.2 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.
- 3.3.3 All fields in the form are mandatory.
- 3.3.4 Email ID and phone number cannot be used more than once for providing comments on a particular consultation paper.
- 3.3.5 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.
- 3.3.6 If you want to provide your comments for the selected proposal, please select
- 3.3.7 “Yes” from the dropdown under “**Do you want to comment on the proposal**” and use the text boxes provided for the same.
- 3.3.8 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.
- 3.3.9 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.
- 3.3.10 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.
- 3.3.11 The final comments shall be submitted only after recording your response on all of the proposals in the consultation paper.

3.4 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 Master Circular for Commodity Derivatives Segment on Trading at Stock Exchanges”***

- a) Shri Lamber Singh, DGM (lambers@sebi.gov.in)
- b) Shri Kennedy Rina, AGM (rinak@sebi.gov.in)
- c) Shri Pratik Kumar, Manager (pratikk@sebi.gov.in)

Encl.: **Annexure A, Annexure B**

Issued on: January 09, 2026