

CIRCULAR**SEBI/HO/MRD/MRD-TPD-1/P/CIR/2025/76****May 26, 2025****To,****All Recognised Stock Exchanges****All Clearing Corporations**

Sir / Madam,

Subject: Final Settlement Day (Expiry Day) for Equity Derivatives Contracts

1. The Securities and Exchange Board of India Act, 1992 ("SEBI Act") mandates SEBI to protect the interest of investors in securities and to promote the development of, and to regulate the securities market, by such measures as it thinks fit. One of the measures to achieve the aforesaid objective is through regulating the business in the stock exchanges.
2. Under the extant Regulatory provisions, stock exchanges can decide upon the expiry day of their derivatives products. In the multi exchange framework, spacing out of expiry days through the week reduces concentration risk and provides an opportunity to stock exchanges to offer product differentiation to market participants. At the same time, too many expiry days has the potential to revive expiry day hyperactivity which could jeopardize investor protection and market stability. Against the aforesaid backdrop, a [consultation paper](#) was issued by SEBI on March 27, 2025, in the matter. The comments received were examined by SEBI, and the matter was further deliberated in Secondary Market Advisory Committee (SMAC) of SEBI.
3. Based on the aforesaid and in exercise of powers conferred under Section 11 (1) read with Section 11(2)(a) of the SEBI Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market, following has been decided with regard to final settlement day / expiry day for equity derivatives contracts:

- 3.1. Expiries of all equity derivatives contracts of an exchange will be uniformly limited to either Tuesday or Thursday.
 - 3.2. Every exchange will continue to be allowed one weekly benchmark index options contract on their chosen day (Tuesday or Thursday).
 - 3.3. Besides benchmark index options contracts, all other equity derivatives contracts, viz., all benchmark index futures contracts, non-benchmark index futures / options contracts, and all single stock futures / options contracts will be offered with a minimum tenor of 1 month, and the expiry will be in the last week of every month on their chosen day (that is last Tuesday or last Thursday of the month).
 - 3.4. Exchanges will now seek prior approval of SEBI for modifying the settlement day of their derivatives contracts from the one which has been existing.
4. To operationalize the aforesaid circular, stock exchanges shall submit their proposal to SEBI, in compliance with Clause 3 above, by June 15, 2025.
 5. Stock Exchanges and Clearing Corporations are directed to take necessary steps to put in place systems for implementation of this Circular, including necessary amendments to the relevant bye-laws, rules and regulations, if any.
 6. This circular is available on SEBI website at www.sebi.gov.in under the category "Legal → Circulars".

Yours faithfully,

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