

Headline: NSE to prevent self-trading

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To launch on Oct 12 a new system to check buy, sell orders from same order book

New Delhi (PTI): To check self-trade, National Stock Exchange (NSE) plans to introduce a new facility in the capital market segment from October 12. The new mechanism will prevent matching between a buy and a sell order entered in the same order book by a member for the same client code originating from same or different trading terminals of the member.

“Self-trade prevention mechanism shall be introduced in capital market segment with effect from trade date October 12, 2015,” NSE said in a circular. In case an active order is likely to match with a passive order belonging to the same member—client or same member—proprietary combination in the same order book, then such an order (full or partial as the case



may be) would be cancelled by the bourse as the ‘order could have resulted in self-trade’, the exchange said. The new facility will be applicable only to “Proprietary and Client—non custodial participant orders.”

“The mechanism shall be applicable for orders entered in continuous session. It shall be applicable only during matching,” it added.

The exchange has asked stock brokers to take due precaution to prevent self-trade while performing trade modification.