

National Stock Exchange Of India Limited**Department: INVESTIGATION**

Download Ref No: NSE/INVG/46662

Date: December 16, 2020

Circular Ref. No: 215/2020

To All NSE Members

Sub: Penalty on Abnormal / Non-Genuine Transactions

This is in continuation and partial modification of NSE Circular No. NSE/INVG/39647 dated December 13, 2018, NSE Circular No. NSE/INVG/40175 dated February 07, 2019, NSE Circular No. NSE/INVG/43144 dated January 07, 2020 and NSE circular no. NSE/INVG/43435 dated February 04, 2020.

In this regard, Trading Members are advised to refrain from entering into abnormal / non-genuine transactions executed by the market participants primarily with an objective of transferring profit / loss between the concerned entities or creation of artificial volume in securities/contracts.

The Exchange shall send necessary advice/caution letter to Trading Members and initiate appropriate disciplinary actions against the members concerned in case the activity is observed to be abnormal/non-genuine. Exchange shall levy a penalty of 100% of the traded value/ profit made/ loss incurred as a result of the trades on the trading members for both profit and loss making abnormal / non-genuine transactions after following the due process & providing necessary opportunity to the trading member for clarification in the matter.

The decision whether a trade or trades is / are abnormal / non-genuine would be of the Exchange which would be final and binding.

The Exchange may also consider taking appropriate disciplinary actions against the member concerned for multiple instances of such abnormal / non-genuine trades as per the Rules, Regulations and Byelaws of the Exchange.

The provisions of this circular shall be applicable across all segments i.e. Cash Market, Currency Derivatives, Equity Derivatives and Commodity Derivatives.

In case of any further queries, members are requested to contact on 022-26598417 / 18.

For National Stock Exchange of India Limited

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