# National Stock Exchange of India Limited

## Circular

| Department: FUTURES & OPTIONS SEGMENT | |
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| Download Ref No: NSE/FAOP/53091 | Date: July 26, 2022 |
| Circular Ref. No: 77/2022 | |

All Members,

Pre-Trade risk controls

Flexing of Operating range applicable to the options contracts

In continuation to the Exchange circular no. 52806 dated June 30, 2022 and in partial modification to Item no. 1.4 of Part B in Exchange consolidated circular no. 44482 dated May 27, 2020, when the last trade price of an option contract crosses X% (trigger point) of the prevailing operating price range (OPR) on either side of the base price, OPR may be flexed automatically in the corresponding direction by a certain quantum.

Accordingly, Members are requested to note that the Exchange shall be introducing below additional criteria to be considered while aforesaid Option OPR flexing at the contract level,

- Certain minimum number of trade count, with minimum number of unique UCCs on each side of trades, at prices above the trigger point of the prevailing OPR (similar to existing contract level flexing criteria for future contracts)
- OPR flexing shall not be applicable for ITM strikes of Index options which are more than certain % away from the prevailing underlying price

This process shall be repeated throughout the trading hours as the price trend moves in the same direction.

All other provisions except for the aforesaid, shall remain unchanged.

The Exchange may review the mechanism and various aforesaid applicable parameters like minimum Trade count, minimum UCC count, % for consideration of ITM strikes, etc., from time to time based on the experience gained and inputs received from market participants / regulator.

The effective date of implementation of the above provisions shall be intimated separately.

For and on behalf of
National Stock Exchange of India Limited

National Stock Exchange of India Limited

Khushal Shah
Associate Vice President

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