



CIRCULAR

F. No. 286/IFSCA/PM (CMD-DMIIT)/2021/2

June 22, 2021

To,

All Stock Exchanges in the International Financial Services Centre (IFSC)

Dear Sir/Madam,

Sub: Introduction of Negotiated Large Trade (“NLT”) facility on Stock Exchanges

1. In order to facilitate a vibrant capital market ecosystem in GIFT-IFSC and to attract global investors and foreign capital, it has been decided to introduce a NLT facility for derivatives on the stock exchanges.
2. The operational framework for the NLT facility in the derivatives segment shall be as follows:
 - a) The NLT Window shall be open throughout normal trading hours of the stock exchanges.
 - b) The orders placed shall be within +/- 1% of the applicable Reference price. The Reference price shall be the Volume Weighted Average Price (VWAP) of trades executed in the 30 minutes preceding the NLT order execution.
 - c) The minimum order size in terms of notional value, for execution of trades, shall be USD 1 million.
 - d) The NLT transactions shall not be considered for calculation of the daily Open, High, Low, Close (OHLC), VWAP or Daily Settlement Price (DSP) or the Final Settlement Price (FSP) of the derivatives contract for which the transaction has been executed.
 - e) The NLT trades on behalf of clients shall not be executed against the trading member’s own account. The Trading Members shall execute NLT trades on behalf of their clients only after obtaining explicit written consent from their respective clients.



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- f) The position limits applicable to the normal market shall be applicable to the NLT window.
 - g) The Stock Exchange shall ensure that all appropriate trading and settlement practices as well as surveillance and risk containment measures as applicable to the normal trading segment are made applicable and implemented with respect to the NLT window.
 - h) The Stock Exchange shall disseminate details of the NLT trades to the public on the same day, after the market hours.

3. Stock Exchanges are advised to:

- a) take necessary steps and put in place necessary systems for implementation of the above
- b) make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision
- c) bring the provisions of this circular to the notice of the trading members of the stock exchange and also to disseminate the same on the website.

This circular is issued in exercise of powers conferred by section 12 of the International Financial Services Centres Authority Act, 2019 to develop and regulate the financial products, financial services and financial institutions in the International Financial Services Centres.

A copy of this circular is available on the website of the International Financial Services Centres Authority at www.ifsc.gov.in

Yours faithfully,

Praveen Kamat
Deputy General Manager
Division of Market Infrastructure Institutions & Technology
Capital Markets Department
email: praveen.kamat@ifsc.gov.in
Tel: +91-079-61809820