

THE CLEARING CORPORATION OF INDIA LTD.

***STOCK BROKER CONNECT
OPERATIONAL GUIDELINES, 2025***

1. Introduction

- 1.1** These Stock Broker Connect - Operational Guidelines are issued in accordance with Direction 18 of Section- IV: Stock Broker Connect of the Master Direction - Reserve Bank of India (Access Criteria for NDS-OM) Directions, 2025 and shall be known as the Stock Broker Connect Operational Guidelines, 2025 (hereinafter also referred to as “Operational Guidelines”)
- 1.2** The interpretation, construction and effect of the Operational Guidelines shall be governed and construed in harmony and in accordance with the applicable laws, Bye-Laws Rules and Regulations of CCIL and the RBI NDS-OM Guidelines.
- 1.3** The Operational Guidelines shall apply to the operational activities of Stock Broker Connect and shall cover the following activities:
- i. Membership of Stock Broker as Trading Member of NDS-OM.
 - ii. Registration of Eligible Investors of Eligible Stock Broker.
 - iii. NDS-OM: Secondary market trades of Eligible Investors in Government Securities.
 - iv. Securities Segment: Settlement of secondary market trades of Eligible Investors.

2. Definitions

2.1 Clearcorp

“Clearcorp” means Clearcorp Dealing Systems (India) Ltd., a wholly owned subsidiary of CCIL.

2.2 Clearing Corporation or CCIL

“Clearing Corporation” or “CCIL” means The Clearing Corporation of India Ltd. as registered under the Companies Act.

2.3 Clearing Member

“Clearing Member” is a Member of Securities Segment of Clearing Corporation who is permitted under the Bye-Laws, Rules and Regulations to submit its Proprietary Trades and its Constituents’ Trades for Clearing and Settlement to Clearing Corporation. The Clearing Member may also submit the Trades of Constituents as received through a Trading Entity.

2.4 Constituent

“Constituent” for the purpose of these Operational Guidelines, means, any Eligible Investor who maintains a demat account with a SEBI-registered Depository.

2.5 Depository

“Depository” shall have the same meaning as ascribed to it under the Depositories Act, 1996.

2.6 Eligible Investor

“Eligible Investor” means any individual investor eligible to invest in Government Securities in accordance with Direction 11 of Section IV of the RBI Directions.

2.7 Eligible Stock Broker/ Stock Broker

“Eligible Stock Broker/ Stock Broker” shall mean an entity eligible to avail Stock Broker Connect facility in accordance with Direction 12 of Section IV of the RBI Directions. Eligible Stock Broker will be subject to applicable law, be admitted as a Trading Member on NDS-OM and identified as a Trading Entity in accordance with the Bye-Laws, Rules and Regulations of CCIL.

2.8 FIMMDA

“FIMMDA” means the Fixed Income Money Market and Derivatives Association of India.

2.9 Negotiated Dealing System-Order Matching or NDS-OM

“Negotiated Dealing System-Order Matching” or “NDS-OM” means the ETP authorised by the Reserve Bank under the Electronic Trading Platforms (Reserve Bank) Directions, 2018 dated October 05, 2018, for transactions in Government Securities.

2.10 RBI Directions

“RBI Directions” means the Master Direction - Reserve Bank of India (Access Criteria for NDS-OM) Directions, 2025, unless the context requires otherwise.

2.11 RBI NDS-OM Guidelines

“RBI NDS-OM Guidelines” means the Reserve Bank of India (RBI) Negotiated Dealing System-Order Matching (NDS-OM) Guidelines, as amended from time to time.

2.12 Stock Broker Connect

“Stock Broker Connect” shall mean a mechanism through which a Stock Broker provides access to NDS-OM to its individual constituents / clients maintaining demat accounts with Depositories registered with the Securities and Exchange Board of India (SEBI).

2.13 Trading Entity

“Trading Entity” means an entity which is not a member of Clearing Corporation but has been provided access to dealing platform of Clearcorp for the purpose of concluding/ reporting/ submission of Trades of its clients created as Constituents of a Clearing Member of Clearing Corporation for the purpose of Settlement by Clearing Corporation as Trades of the Clearing Member.

2.14 Trading Entity ID

“Trading Entity ID” means a unique ID provided by Clearing Corporation to each Trading Entity, for the purpose of identifying the entity accessing the trading platform and whose Trades shall be settled by Clearing Member of the Clearing Corporation.

The terms used but not defined in these Operational Guidelines would have same meaning if defined under the RBI NDS-OM Guidelines, 2025, the Reserve Bank of India Act, 1934, the Payment and Settlement Systems Act, 2007 (including the regulations, notifications, circular etc. issued thereunder) and the Bye-Laws, Rules and Regulations of CCIL (as applicable and amended from time to time), unless the context requires otherwise.

3. Membership, Access Criteria and General Procedures

3.1 Stock Broker-Membership (NDS-OM)

- i. Eligible Stock Broker(s) desirous of providing NDS-OM access to their respective clients who are maintaining demat accounts with Depositories shall make an application to the Reserve Bank of India in accordance with Section IV of the RBI Directions.
- ii. An Eligible Stock Broker admitted by the Reserve Bank of India as a Trading Member shall furnish the following:
 - a) Copy of the approval of the Reserve Bank of India.
 - b) Details of the Clearing Member through which it seeks to undertake the Settlement of Trades of its Constituents.

- c) Copy of the agreement in terms of which the Clearing Member agrees to assume responsibility for the Settlement of Transactions undertaken by the clients of the Stock Broker.
 - d) Any other additional information or clarifications as may be specified from time to time.
- iii. Member ID: On completion of the registration formalities, Clearcorp will allot a unique Member ID.
- iv. The Stock Broker shall incorporate the Member ID in all its communications with Clearcorp, which shall be used as the basis of identification as a Trading Member under NDS-OM.
- v. The Stock Broker shall abide by the RBI NDS-OM Guidelines as amended from time to time.
- vi. The Stock Broker shall abide by the FIMMDA's Code of Conduct for Transacting in Government Securities using NDS-OM, as amended from time to time.
- vii. Suspension: Clearcorp may suspend/terminate the membership of a Stock Broker if found in violation of the RBI/SEBI directions or in the event such Stock Broker does not meet the Settlement Obligations as may be required by its Clearing Member or is non-compliant with these Operational Guidelines or is non-compliant with the Clearcorp's API rules or is found to undertake activities which may disrupt or distort normal market functioning or any such activities which are not in conformity with the RBI NDS-OM Guidelines or any other directions or guidelines issued from time to time.
- viii. Resignation: A Stock Broker seeking to resign and discontinue access to NDS-OM under Stock Broker Connect shall make an application to RBI. Such request shall be accompanied by all relevant information, including but not limited to information on the mutually accepted terms for orderly termination of the agreement between the Stock Broker and the Clearing Member entered at the time of access request to Stock Broker Connect.
- ix. On approval of the resignation request by RBI and subject to all dues being cleared, Clearcorp shall terminate access and membership of such resigning Stock Broker.
- x. In the event, a Stock Broker is suspended/terminated by RBI, the access to NDS-OM under the Stock Broker Connect for the Stock Broker and its Constituents shall be suspended/terminated.

3.2 Access Criteria for Stock Broker-Admission of Constituents

3.2.1 Pre-Admission

The Stock Broker shall:

- i. ensure that the Constituents to be registered on NDS-OM and as Constituent of Clearing Members of CCIL are eligible to deal on NDS-OM as per the RBI guidelines including but not limited to RBI NDS-OM Guidelines (as amended from time to time) and any other applicable law.
- ii. at all times ensure the compliance with any ‘know your customer’ requirements of RBI/SEBI and under any other applicable laws in respect of the Constituents. Further, the Stock Broker shall ensure compliance with all KYC requirements of the Constituent on an ongoing basis as required under applicable laws.
- iii. facilitate onboarding of its Constituents to NDS-OM as per procedure prescribed from time to time. The Stock Broker shall also ensure the relevant information sought by the Clearing Member for admission of Constituent(s) are facilitated by the Stock Broker to enable Clearing and Settlement of the Constituent Trades by CCIL.
- iv. be responsible to validate the bank account, demat account details and other details such as mobile number, email id, PAN and residential status etc. of the Constituent as part of the Constituent registration process. The details provided by the Stock Broker at the time of registration shall be relied upon for all relevant purposes of facilitating Stock Broker Connect.
- v. be responsible for the accuracy of the data/ information and any errors/omissions. Constituent details shall be the responsibility of the Stock Broker. Any changes/ update of the Constituents including the demat account and/or bank account etc. shall continue to be the responsibility of the concerned Stock Broker.
- vi. shall seek all necessary ‘consents’ of their Constituent(s) desirous of accessing the Stock Broker Connect. The consents shall include confirmations for information dissemination and information receipt (by way of SMS, Email in connection with Stock Broker Connect), as may be required to be provided to/ received from a Clearing Member, Clearcorp or CCIL commensurate with the requirements as may be required for the purpose of access to Stock Broker Connect. Stock Broker shall provide copies of the consent, when called upon in this regard.
- vii. shall ensure that the relevant information, terms and conditions and requirements to access the Stock Broker Connect are adequately advised to the respective Constituents. Notwithstanding the foregoing, Stock Broker, shall ensure that only the

relevant information is provided to Constituents on a need-to-know basis and information, such as the technical features of Stock Broker Connect (including but not limited to any Intellectual Property Rights) or the RBI NDS-OM Guidelines as is or any ‘Confidential Information’ relating to NDS-OM are not, as is, circulated or provided to the Constituents.

- viii. pursuant to the preceding clause, undertake and *mutatis mutandis* seek to undertake from its Constituents that neither the Stock Broker itself nor the respective constituent shall hold nor seek to hold RBI/ CCIL/ Clearcorp or any of its officers, directors, partners, employees, agents, subsidiaries, affiliates or business associates liable for any trading losses, cost of damage incurred by the Constituents consequent upon relying on investment information, research opinions or advice or any other material/information whatsoever on NDS-OM, literature, brochure issued by RBI/ CCIL/ Clearcorp or any other agency appointed/authorised by RBI/ CCIL/ Clearcorp. Any decision to invest in Government Securities shall be on the own volition and independent responsibility of the respective Constituents.

3.2.2 Admission of Constituents

- i. Stock Broker shall ensure that access to NDS-OM is granted only to those Eligible Investors (Constituents) who have been successfully registered and for whom an active Constituent ID has been issued.
- ii. Constituent ID: On completion of admission of an Eligible Investor as a Constituent, a unique Constituent ID shall be allotted for the purpose of identification.
- iii. The Constituent ID shall be communicated/transmitted along with all orders placed through the Stock Broker Connect. The Constituent ID for an order is not modifiable at any time.
- iv. The Stock Broker shall provide the services under Stock Broker Connect to its Constituents, at its own cost through, the ‘Trading Portal’/ ‘Mobile App’ or any other mode as permitted by RBI.
- v. Unless specified otherwise, access to Stock Broker Connect is available only through one Stock Broker at a time. Any change request shall be submitted in the form and manner prescribed.
- vi. Stock Broker(s) shall facilitate only direct input of orders by Constituents under Stock Broker Connect.
- vii. Stock Broker(s) shall provide any additional information as may be sought by Clearcorp in relation to each of its Constituents. Similarly, the relevant information

sought by the Clearing Member, for admission of the client of the Stock Broker as Constituents, shall be promptly provided by the Stock Broker.

- viii. Stock Broker shall ensure and seek to ensure that its Constituents shall not publish, supply, show or make available to any other person/entity the facilities/data available on the NDS-OM or the information provided by the NDS-OM.

3.2.3 Post Admission Guidelines

- i. Stock Broker shall provide contract notes, reports, statements and updates on a timely basis. Any additional information or details required to be provided to Constituents may be prescribed from time to time.
- ii. Stock Broker shall on advise, forthwith deactivate its Constituents(s) in case of an order of disqualification by any statutory/regulatory authority or an order of similar effect from any other competent authority.
- iii. Stock Broker shall be responsible and liable for the Constituents registered by the respective Stock Broker(s) for any action or inaction, arising on account of unauthorized and/or inappropriate access to NDS-OM by such Constituents and any loss/damage/consequences arising therefrom or incidental thereto.
- iv. Stock Broker shall provide access (including but not limited to trading, API, etc.) and information to its Constituents in an objective, fair, transparent and non-discriminatory basis.
- v. The information about Constituents orders and Trades available to the Stock Broker shall always be treated as 'Confidential Information' received in good faith. The Stock Broker shall ensure that such 'Confidential Information' shall not be used and/or taken advantage of at any time in any manner whatsoever.
- vi. Stock Broker shall not publish, supply, display or make available to any other person/entity the facilities/data available on the NDS-OM or the information provided by NDS-OM except with the explicit written approval of Clearcorp.
- vii. Stock Broker shall maintain adequate records, audit logs, written confirmations etc. to evidence receipt of orders from their Constituents under the Stock Broker Connect.
- viii. Stock Broker shall after duly notifying the Constituent, disable access of a Constituent who has not used the access through the Stock Broker Connect for a period of two years. The Stock Broker after having satisfied itself of the reason for non-access by the Constituent may make a request for the re-activation of the Constituent. Clearcorp shall have a right to call for such information, data and documentation as may be deemed necessary for reviewing such activation.

- ix. The Stock Broker shall not, engage in any act or conduct which creates or is likely to create a false or misleading impression as to the market in, or the price or value of, any security, or cause a fictitious Trade or a false price to be input into the NDS-OM system, effect a Trade at any price which differs to an unreasonable extent from any firm price displayed on NDS-OM in that security, do, or attempt, any act or engage in any course of conduct, which constitutes or is likely to constitute market abuse, do any act or engage in any course of conduct which is likely to damage the fairness or integrity of the markets and NDS-OM.
- x. The Stock Broker shall at all times comply with the applicable laws as a regulated entity including but not limited to any ongoing compliances as may be required under such laws.
- xi. In the event of any change in control, name or reorganization, amalgamation /merger of the Stock Broker, the Stock Broker shall promptly inform Clearcorp about the same. Clearcorp shall have a right to call for such information, data and documentation as may be deemed necessary for reviewing such membership and the Stock Broker shall immediately provide the same to Clearcorp and also extend all the necessary co-operation in this regard. Further, Clearcorp may also require additional documentation as may be deemed necessary and within such period as may be specified by Clearcorp pursuant to the change in control or reorganization, amalgamation/merger.
- xii. Notwithstanding the foregoing, the Stock Broker may be called upon to submit such documents and information in connection with the access requested or access already granted under Stock Broker Connect.
- xiii. Maintenance of records: Stock Broker shall ensure maintenance of records for such periods of time as required by RBI/CCIL/Clearcorp.

3.3 Risk Controls and Technical Specifications

Risk Controls

3.3.1 The Stock Broker shall:

- i. set the ‘operation risk control parameters’ (single order limit, price ranges, activity check) and trading limits (Securities and Funds limit) for the respective Constituents and monitor such limits on a real time basis.
- ii. ensure that trading activity of Constituents are within the ‘operation risk control parameters’ and ‘trading limits’.

- iii. put in place sufficient risk monitoring tools/ practices to monitor positions by their Constituents.
- iv. adhere to the process prescribed for handling Margins, Funds and Securities of Constituents, where applicable.
- v. shall, to the extent applicable, ensure that Funds and/or Securities of a Constituent are not utilised for any other purpose except to meet Margins and/or obligations of that Constituent itself.
- vi. ensure payments to or receipts from Constituents shall be in the form and manner as may be prescribed from time to time.
- vii. maintain detailed record of Funds/Securities/Margins of the Constituents under Stock Broker Connect. Stock Broker shall provide details of the same and may enable sharing of such information or any reconciled information as may be sourced from the Clearing Member, to ensure transparency to Constituents.
- viii. shall ensure that Funds used for purchase of Securities by the Constituents shall be from the Constituent's own Funds and shall also *mutatis mutandis* apply in case of sale of Securities.
- ix. ensure that the Constituent Trades do not disrupt or distort normal market functioning. Any such Orders/Trades which are not in conformity with the RBI NDS-OM Guidelines or any other directions or guidelines issued from time to time shall be cancelled/ void as the case may be.
- x. ensure that Constituent(s) are not directly or indirectly influenced or advised and shall make all investment and disinvestment decisions in Government Securities through the Stock Broker Connect based on their own evaluation of financial circumstances and investment objectives.

3.3.2 Technical Specifications

The Stock Broker shall have adequate Information Technology infrastructure including authentication procedures, cybersecurity framework, data protection framework, audit trails etc. commensurate with the requirements specified for offering services under the Stock Broker Connect.

4. Dealing/Trading Rules

All trading/ dealing parameters on NDS-OM shall be in accordance with the RBI NDS-OM Guidelines.

5. Application Programme Interfaces (“API”)

- 5.1 Stock Broker(s) desirous of availing the NDS-OM API for ‘order matching’ and ‘request for quote segments shall make an application with the requisite details in the form and manner as may be prescribed from time to time.
- 5.2 Stock Broker(s) permitted access vide API shall at all times comply with the NDS-OM API Rules, as amended from time to time.
- 5.3 Stock Broker(s) shall participate in conformance tests with Clearcorp to check the use of APIs.
- 5.4 Stock Broker(s) shall not develop or deploy any software that supports algos or automated trading.
- 5.5 Stock Broker shall promptly demonstrate compliance with the NDS-OM API Rules, by way of submission of such documents and/or such information which reasonably enables verification of the necessary compliance and as may be specified from time to time.
- 5.6 Stock Broker shall promptly co-operate with any inspection or audits as may be specified in this regard, so as to verify compliance with the NDS-OM API Rules.
- 5.7 Any violation of any applicable law in this regard and/or directions/guidelines/etc. or non-compliance with NDS-OM API rules, shall lead to immediate suspension from the accessing NDS-OM.
- 5.8 Trading software developed by the Stock Broker shall be subject to approvals from time to time and the decision in this regard shall be final.

6. Clearing and Settlement of Constituent Trades: Clearing Member-Trading Entity

- 6.1 Without prejudice to the generality of these Operational Guidelines, a Clearing Member may submit Constituent Trades in accordance with the Bye-Laws, Rules and Securities Segment Regulations as amended of time to time. For the said limited purpose of Settlement of such Constituent Trades, Stock Broker shall be identified as a Trading Entity and shall be issued a Trading Entity ID by CCIL.
- 6.2 A Stock Broker will be permitted to enable its Constituent(s) access for Clearing and Settlement only through one Clearing Member at a time. Any change request shall be submitted in the form and manner prescribed.
- 6.3 Resignation/ Suspension of a Clearing Member shall lead to the immediate suspension of access of the Constituents/ Stock Brokers. Stock Broker may facilitate access through a different Clearing Member so as to enable access to its existing Constituents.
- 6.4 Clearing Member(s) are *inter alia* required to adhere to the risk management framework

of CCIL and consequentially, Stock Broker(s), shall adhere to and seek adherence of their respective Constituents of:

- a) any operational risk control parameters as may be advised to their respective Clearing Member(s).
- b) computation and posting of client level margins or aggregated at the Clearing Member, with reports as may be required of the CM to be provided from time to time.
- c) any shortage and/or default arising therefrom or incidental thereto.
- d) any other requirements as may be specified from time to time.

7. Fees, Charges and Recoveries

7.1 Stock Broker(s) availing the Stock Broker Connect facility for its Eligible Investors/ Constituents may be required to pay such fees, charges as may be prescribed from time to time.

7.2 The mode and manner of payment for the purpose shall be notified to the Stock Broker(s) from time to time.

8. Investor Grievances and Dispute Resolution

8.1 Investor Grievance

Any grievance that a Constituent may have with its Stock Broker with regard to the orders or Trades undertaken on NDS-OM or with regard to access granted to NDS-OM, shall be raised to the Stock Broker at the first level.

8.2 Dispute Resolution

In the event of such grievance is not addressed at the Stock Broker, the Constituent may report the same and seek redressal in terms of the FIMMDA's Code of Conduct for Transacting in Government Securities using NDS-OM, as amended from time to time.

9. Dispute Resolution: between Clearing Member, Trading Entity (Stock Broker) and Constituent

9.1 CCIL shall not be made a party to any dispute between the Clearing Member, Trading Entity and Constituents. Such disputes shall be resolved by the Member directly with Trading Entity or Constituent amicably, without involving Clearing Corporation.

9.2 Where no settlement is arrived at, such disputes shall be settled through a dispute resolution mechanism as may be notified by Clearing Corporation from time to time.

9.3 For the purpose of dispute resolution, if required, Clearing Corporation may provide the

record from its central processing unit, on written request.

10. Submission of compliance certificate

10.1 Stock Broker shall submit a compliance certificate on an annual basis or at such intervals as may be notified from time to time. The certificates shall be submitted within 30 days or within such period as may be prescribed of the closure of financial year or within the notified date in such format as may be prescribed, certifying the compliance of the terms of Stock Broker Connect.

10.2 The said certificate shall be signed by the ‘Separate Business Unit Head’ or ‘Compliance Officer’ or any other senior official duly authorised in this regard. Submission of compliance certificate will act as a request for renewal of access to the Stock Broker Connect facility by the Stock Broker.

11. Right to Inspect and Audit

11.1 RBI/any entity authorised by RBI shall have the right to inspect and audit the Stock Broker with respect to the Transactions carried out by Constituents through the Stock Broker Connect.

11.2 The Stock Broker shall provide all such information and documentation and cooperation as is required to carry out the inspection/audit.

11.3 Clearcorp may at its sole discretion direct the Stock Broker to carry out annual or other periodic audits as it may deem appropriate through an external entity to ensure compliance to the terms of the Stock Broker Connect and RBI Directions in this regard and submit a report to Clearcorp, alongwith any additional information as required by Clearcorp.

12. Amendment of Operational Guidelines

These Operational Guidelines may be amended with reasonable notice and the revised Operational Guidelines shall be applicable to the concerned entities.

13. Governing Law and Jurisdiction

The use of the services provided through Stock Broker Connect shall be governed by the laws of the Republic of India and no other nation. The mere fact that Stock Broker Connect can be accessed through internet by a Stock Broker and its Constituent(s) in a country other than India shall not be interpreted to imply that the laws of the said country govern these terms and

conditions. The courts in Mumbai, Maharashtra, India shall have the exclusive jurisdiction over all matters in connection with the Stock Broker Connect or these Operational Guidelines.

14. Surveillance

The quotes/ orders/ Trades placed by Constituent(s) of Stock Broker(s) shall be subjected to surveillance in an ongoing manner.

15. Communication by Stock Broker

The Stock Broker shall ensure that Constituents receive regular updates on orders placed and Trades concluded through the Stock Broker Connect *via* SMS on their registered mobile numbers.