



National Stock Exchange of India Limited

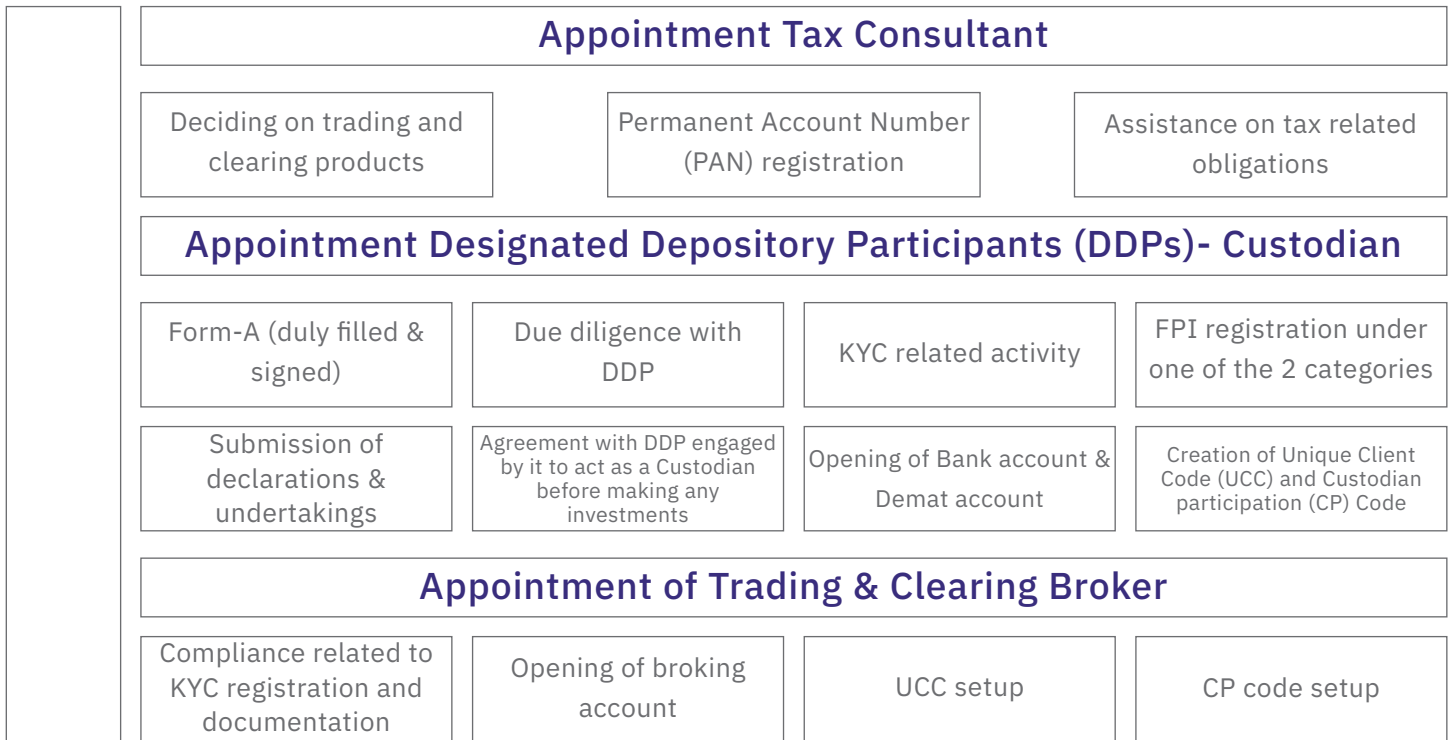
One stop shop for all asset classes

Equity | Debt | Currency | Commodity



Route to India

Foreign Portfolio Investment (FPI)



The above representation is on a broader level only. Please refer related guidelines for full information

FPI Category I	<ul style="list-style-type: none"> • Government and Government related investors such as central banks, sovereign wealth funds, international or multilateral organizations or agencies • Pension funds and university funds • Appropriately regulated entities such as insurance or reinsurance entities, banks, asset management companies, investment managers, investment advisors, portfolio managers, broker dealers and swap dealers • Entities from the Financial Action Task Force (FATF) member countries which are- appropriately regulated funds/ unregulated funds whose investment manager is appropriately regulated and registered as a Category I foreign portfolio investor, provided fulfilment of few clauses. • An entity (A) whose investment manager is from the FATF member country and such an investment manager is registered as a Category I foreign portfolio investor; or (B) which is at least seventy-five per cent owned, directly or indirectly by another entity, eligible under sub-clause 2,3,4 of above of this regulation and such an eligible entity is from a FATF member country
FPI Category II	<ul style="list-style-type: none"> • Appropriately regulated funds not eligible as Category-I foreign portfolio investor • Endowments and foundations • Charitable organisations • Corporate bodies • Family offices • Individuals • Appropriately regulated entities investing on behalf of their client, as per conditions specified by the Board from time to time • Unregulated funds in the form of limited partnership and trusts

Access to India for US Clients

- First India stock exchange to receive Part 30 exemption Order ("the Order"), granted by the Commodity Future Trading Commission ("CFTC") under CFTC Regulation 30.10, on May 17, 2018
- This permits NSE members who are not registered with the CFTC as future commission merchants ("FCMs") to carry accounts as "exempt FCMs" to trade in future contracts listed on NSE for the U.S customer upon compliance with certain requirements and conditions as set forth in the Order
- Currently CFTC No-Action letter has been issued for NIFTY Index contracts
- Access to NIFTY Futures, Narrow Based Derivatives (SSF and Index Futures) in the likes of NIFTY Bank, NIFTY IT etc. for US customers

Framework for Investments

Position Limits*

Products	FPI Category I	FPI Category II (other than FPIs in sub-category individuals, family offices, corporates)	FPI Category II (individuals, family offices, and corporates)
Equity	The purchase of equity shares of each company by a single FPI or an investor group# shall be below 10% of the total issued capital of the company		
Equity Derivatives	Higher of INR 5 bn or 15% of the total OI in the market- on Index for Futures & Options separately. In addition, hedge positions permitted	Higher of INR 3 bn or 10% of the total OI in the market- on Index for Futures & Options separately	Higher of INR 1 bn or 5% of the total OI in the market- on Index for Futures & Options separately
Stock Derivatives	20% of MWPL	10% of MWPL	5% of MWPL
Currency Derivatives	Gross open position across all contracts - higher of 15% of the OI or USD 100 mn / EUR 50 mn / GBP 50mn / JPY 2000 mn		Gross open position across all contracts higher of 6% of OI or USD 20 mn/ EUR 10 mn / GBP 10 mn / JPY 400 mn
	<ul style="list-style-type: none"> • Long as well as short position upto USD 100 mn for FCY-INR pairs (USDINR, EURINR, GBPINR & JPYINR) across all Exchanges without having to establish existence of underlying exposure. • Long positions permitted in excess of above specified limits based on underlying exposure in Indian debt/ equity securities or units of equity / debt mutual funds • FPIs are permitted to participate in Cross Currency Derivatives (EURUSD, GBPUSD & USDJPY) within permissible position limits without any underlying exposure. 		
Interest Rate Derivatives	Position limits for 8-11 year bucket- 10% of Open Interest or INR 12 bn whichever is higher Position limits each for 4-8 and 11-15 years bucket- 10% of Open Interest or INR 6 bn whichever is higher		Position limits for 8-11 year bucket- 3% of Open Interest or INR 4 bn whichever is higher Position limits each for 4-8 and 11-15 years bucket- 3% of Open Interest or INR 2 bn whichever is higher
	<ul style="list-style-type: none"> • Separate limit of INR 50 bn for FPIs for taking long position in IRF • NO FPI can acquire net long position in excess of INR 18 bn at any point of time in IRF • The total gross short (sold) position of each FPI in IRF shall not exceed its long position in the government securities and in IRF at any point in time 		

OI = Open Interest; PL = Position Limit; MWPL = Market-wide Position Limit; Gsec = Government Securities; Corp Bonds – Corporate Bonds

* Latest FPI regulation @ https://www.sebi.gov.in/legal/regulations/sep-2019/securities-and-exchange-board-of-india-foreign-portfolio-investors-regulations-2019_44436.html.

* Latest Operating Guidelines @ https://www.sebi.gov.in/legal/circulars/nov-2019/operational-guidelines-for-fpis-and-ddps-under-sebi-foreign-portfolio-investors-regulations-2019-and-for-eligible-foreign-investors_44870.html

Collaterals Permitted

Cash Government Securities Corp Bonds Foreign AAA Sovereign securities
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Margin & Settlement Obligation

Equity	<ul style="list-style-type: none"> • FPIs margined on a T+1 basis • FPIs who are Corporate bodies, Individuals or Family offices are margined on an upfront basis • FPIs are under obligation to settle all trades by delivery
F&O, CDS, IRF & SLBM	<ul style="list-style-type: none"> • All categories of FPIs are margined on an upfront basis

NSE's Backbone

NSE Clearing Ltd - Robust Risk Management benefitting Investors

- Consistent settlement cycles since inception
- On-line, real-time, upfront, client level margins
- Real-time monitoring of exposure
- Margin alerts to members & automatic stop of trading facility on breaching limits
- Availability of cross margin facility between Equity, Equity Derivatives & ETF's
- Acceptance of collaterals like Cash, Government Securities & Corporate Bonds from FPI's / FII's
- Test of robustness - Extreme market movements handled without any defaults
- Rated 'AAA' (highest corporate credit rating) for 8 consecutive years by CRISIL
- NSE Clearing has been granted recognition by ESMA as a "third party CCP"
- Recognized as a Qualified Central Counterparty (QCCP) and systemically important market infrastructure institution in securities market regulated by SEBI
- Separate segment specific Settlement Guarantee Fund
- Well defined default waterfall mechanism
- Committed to the adoption and implementation of the principles "Principles for Financial Market Infrastructure" (PFMIs) issued by the CPMI and IOSCO
- Interoperability framework between clearing corporations for Equity, Futures & Options and Currency Derivatives

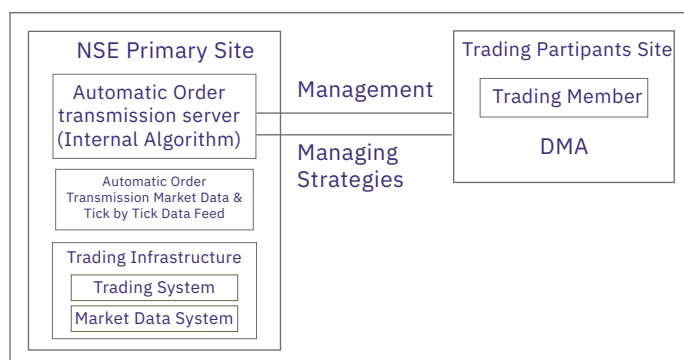
Guaranteed Settlement	Minimal counterparty risk	Greater market confidence
Novation	Landmark Achievement in Indian financial market	
Multilateral Netting	Efficient use of capital	Reduction in settlement instructions and transaction cost
Guarantee Fund	Separate SGF for each segment	Stringent stress tests

Technology

- Nationwide POP topology & innumerable algorithms pan-India coming in through concentrators
- Technology developed in-house with associate companies and partners to design and build the platform
- Reliable and inexpensive multi connectivity with load balancing because of our scalability
- Processes a billion plus messages per day
- Data centers and co-location services adhering to ISO 20000 for service standard
- 3 DC architecture with far DR site providing opposite-coast redundancy

Co-location Facility

- Exchange hosting servers to provide low latency connectivity
- Improves market efficiency through liquidity generation & performance enhancements
- Inter-rack connectivity on request permitted
- TAPE Backup restore facility (optional)
- The Exchange also has the facility of managed co-location service through empanelled vendors



Multi-layered Service System

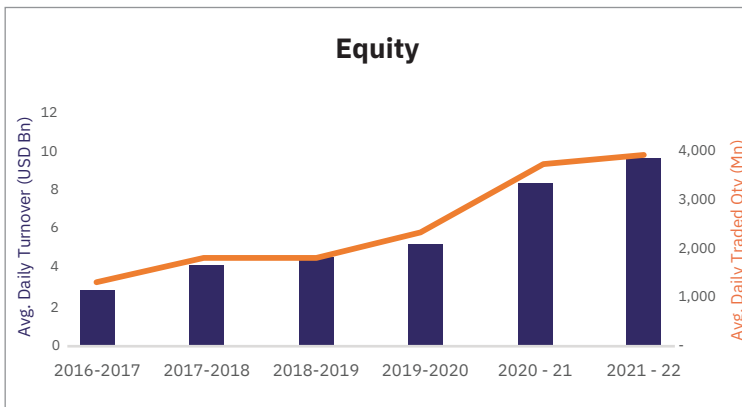
- Pivotal role in market advocacy
- Specialised Team to serve our Institutional Members and Clients
- A nation wide CRM Team to serve our members in general
- Consistent joint efforts with members to reach, engage and develop clients
- Nation wide Investor Awareness Programs for retail investors in large numbers
- Training sessions for students to introduce the concept of saving & investing at an early age
- Certification courses & tie ups with educational institutions to create a professional workforce for the industry

NSE's Product Offering

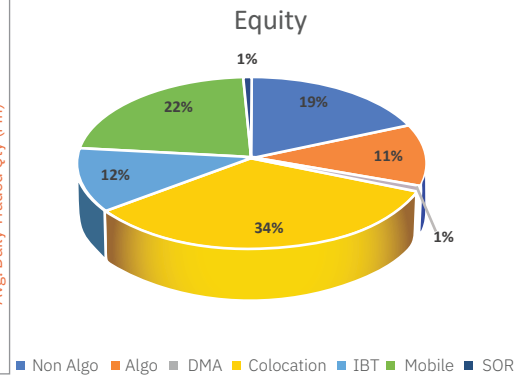
Equities and Exchange Traded Funds

Equity: NSE offer trading in 1900 + securities with the total market capitalisation of approx. USD 3 Tn as on March 2021.

Exchange Traded Fund (ETF): Currently around 105 ETFs are traded on NSE with multiple underlying like equity indices, gold and money market instruments.



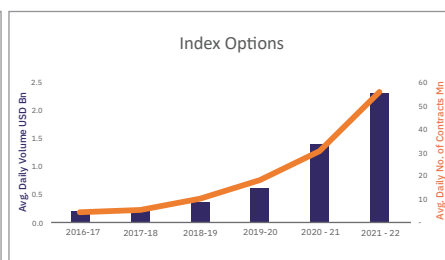
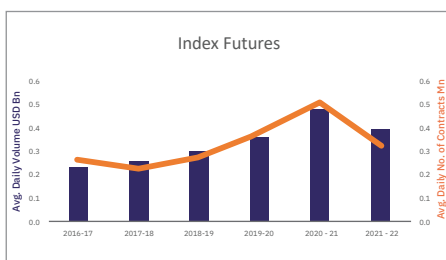
Several Modes of Trading for Jan'21 - Sep'21



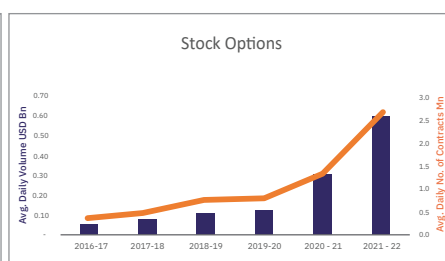
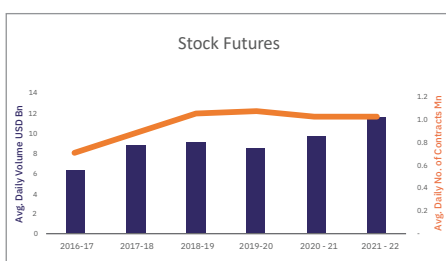
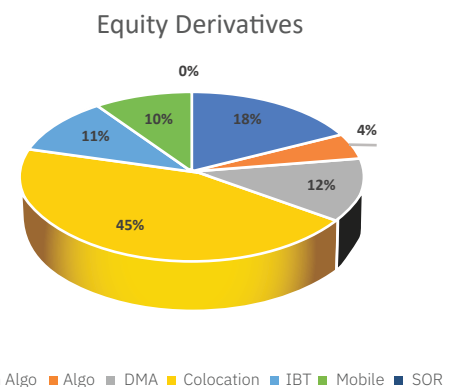
Equity Derivatives

Parameters	Stock Futures	Stock Options	NIFTY Index Futures	NIFTY Index Options	BANKNIFTY Index Futures	BANKNIFTY Index Options	FINNIFTY Index Futures	FINIFTY Index Options
Parameters	188 securities		NIFTY 50 Index		BANKNIFTY Index		Nifty Financial Services Index	
Trading Cycle	3 consecutive monthly contracts		3 consecutive monthly contracts	7 weekly contracts, 3 consecutive monthly contracts, 3 Qtrly (Mar, Jun, Sep & Dec) and 8 semi-annual contracts up to 5 years	3 consecutive monthly contracts	7 weekly contracts, 3 consecutive monthly contracts	3 consecutive monthly contracts	7 weekly contracts, 3 consecutive monthly contracts

Premium considered for options volume



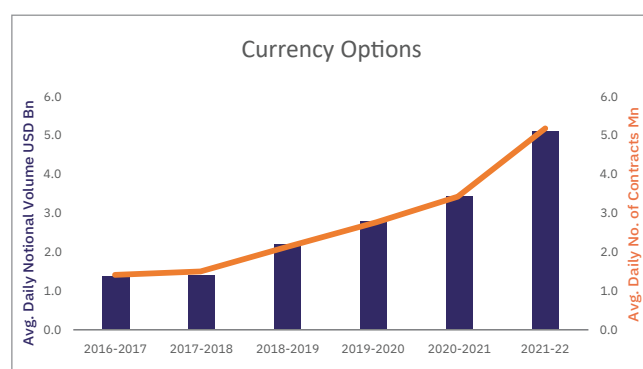
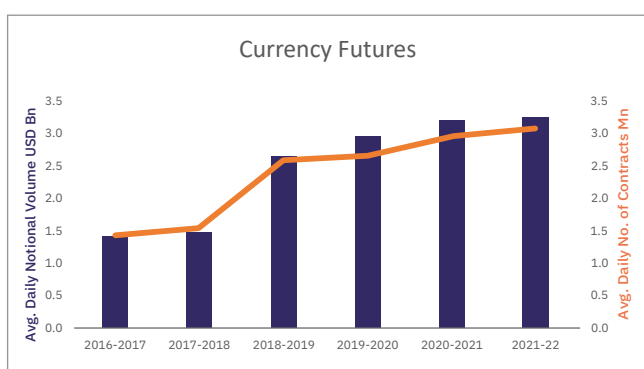
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Currency & Fixed Income Derivatives

- RBI has permitted FII/FPIs to access Exchange traded Currency Derivatives w.e.f. June 27, 2014
- Futures & Options on cross currency pairs (EUR-USD, GBP - USD & USD - JPY) are also available for trading

Parameter	Currency Futures				Currency Options				Interest Rate Derivatives
Underlying	USDINR	EURINR	GBPINR	JPYINR	USDINR	EURINR	GBPINR	JPYINR	Futures on GOI securities with maturities from 4 to 15 years and Options on GOI securities with maturity of 10 years
Unit of trading	USD 1000	EUR 1000	GBP 1000	YEN 100000	USD 1000	EUR 1000	GBP 1000	YEN 100000	
Trading Cycle	11 weekly 12 monthly				11 weekly, 3 monthly & 3 quarterly contracts				3 monthly & 3 quarterly contracts
Expiry Day	Two working days prior to the last business day of the expiry month at 12:30 pm								Last Thursday of the month
	For weekly options- Friday								



Commodity Derivatives

- Market Hours: Monday to Friday 10:00 am to 11:30 pm/11:55 pm* (*based on US daylight saving time period)
- SEBI has permitted Eligible Foreign Entities (EFEs) having actual exposure to Indian commodity markets, to participate in Indian domestic commodity derivatives markets, to hedge their positions
- Delivery based commodity futures contracts are available for trading on NSE's commodity derivatives segment
- Available products - Gold Futures, Gold Mini Futures & Options, Gold 1G Futures, Silver Futures & Options, Brent Crude Oil Futures, Copper Futures and Options and Crude Degummed Soybean Oil Futures.

About NSE

National Stock Exchange of India (NSE), the largest stock exchange in India in terms of volumes since 1995, operates a nation-wide, electronic market, connecting investors in search of growth to corporate issuers in search of efficient capital, providing robust technology platform and exchange traded products. NSE offers trading in equities, futures & options in equities, currency, commodities and interest rates, volatility, fixed-income, sovereign gold bonds and a platform for distribution of mutual funds and mechanism for securities lending and borrowing. Backed by an indigenous software and network of connectivity through VSATs, leased lines, internet and mobiles, NSE provides investor's across the globe access to liquidity and Indian markets. NSE has made its global presence felt with its flagship index, the NIFTY 50.

NSE is committed to operate a market ecosystem which is transparent and efficient; and at the same time offers high levels of safety, integrity and corporate governance, providing ever growing trading & investment opportunities for investors.

Disclaimer

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