

LEIPS-S&P BSE SENSEX-Options**(Effective from September 26, 2014)**

SEBI issued Circular no.CIR/MRD/DP/14/2014 dated April 23, 2014 regarding revised guidelines for Liquidity Enhancement Scheme in the Equity Cash & Equity Derivatives Segment .On this background the Exchange launched new **Liquidity Enhancement Incentive Programmes (LEIPS) on S&P BSE SENSEX- Options with effect from May 30,2014** with the goal of creating lasting, self-sustaining liquidity in BSE's Equity Derivatives Segment.

The programme incentivizes both Market Makers (MMs) and General Market Participants (GMPs) by payment of cash for their participation as per prescribed terms and conditions.

Active trading members of Equity Derivative segment of the Exchange can follow a simple process to register themselves for this pro-programme as a Market Makers (MMs) or as a General Market Participant (GMP).

Under the programme, the MMs have a continuous quoting obligation with specified size and spread in options contracts on S&P BSE SENSEX. The programme offers 4 types of incentives to market participants –

1. Trading volume based daily cash incentives to MMs and GMPs
2. Quote based incentive for MMs
3. Open Interest (OI) based cash incentives paid on daily basis for average daily OI to MMs and GMPs
4. Lower transaction fees for all active trading members.

The Exchange monitors performance of the programme including presence of MMs and their compliance with the quote obligations through a mix of online and offline monitoring tools. The Exchange also publishes information on the programme from time to time.

LEIPS-S&P BSE SENSEX Options programme shall remain in force as per tenure mentioned in SEBI Circular no.CIR/MRD/DP/14/2014 dated April 23, 2014.

The Exchange has been regularly amending the terms and conditions of its LEIPS Programmes based on the overall progress of the programme, market feedback and policy changes.

With effect From September 26 ,2014 the Exchange proposes to amend certain terms and conditions of **LEIPS- S&P BSE SENSEX- Options** as follows–

- Introduction of additional quoting obligation in SENSEX options near month contract for MM's.
- Separate spread criteria for near month contract for MM's.
- Revision in quoting obligation criteria for current month contract for MM's.
- Revision in daily trading volume based cash incentive cap for current month contract.
- Discontinuation of daily booster incentives.
- Introduction of monthly quoting Incentives for MM's.
- Revision of condition in open interest incentives.
- Discontinuation of additional quoting incentive for roll over contracts for near month contracts (on E-1 & E Day).

For any further clarifications, please contact your designated Relationship Managers.

DISCLAIMER: The Information is provided "AS IS" and without warranty of any kind other than as expressly provided in the present. While reasonable care has been taken to ensure the accuracy and completeness of the information provided herein, BSE Ltd ("BSE") does not warrant, guarantee or make any representation concerning the use, results of use or inability to use the information and shall not be liable for any loss or damage of any kind (whether direct, indirect or consequential losses or other economic loss of any kind) suffered due to any omission, error, inaccuracy, incompleteness, or otherwise, any reliance on such information. The information in this document is subject to change without notice. Registration of a Member of BSE in LEIPS Programme is at the sole discretion of BSE, and is subject to compliance with the eligibility requirements and all other applicable laws and regulations, circulars, rules and directives. Notwithstanding anything contained herein, BSE shall have absolute discretion and right to vary, add to and delete any or all of the eligibility requirements and criteria for such registration.

The programme focuses on Options contract on S&P BSE SENSEX. The programme incentivizes both MMs and GMPs by payment of cash for their participation in the programme as per prescribed terms and conditions.

		Market Makers	General Market Participants
Clause 1 – Incentives / Benefits	Trading Volume[†] Based Cash Incentive	Market Maker (MM) shall be paid incentives on notional turnover at moneyness strikewise rates as per clause 6 & Table 2 overleaf from total incentive pool refer to Annexure 3	General Market Participant shall be paid incentives on notional turnover at moneyness strikewise rates as per clause 6 & Table 2 overleaf from total incentive pool refer to Annexure 3
	Quoting Based Cash Incentive	<ul style="list-style-type: none"> Upon fulfillment of Quote Obligations, qualifying MMs shall be paid incentives at Money-ness Strike-wise rates (refer Annexure 1 and 2 overleaf) till payout crosses specified pool . Thereafter incentives to be paid on pro-rata basis . For additional monthly quoting incentive refer to Annexure 4. 	Not Applicable
	Open Interest^{#†} Cash Incentive	Based on daily Exchange OI in S&P BSE SENSEX options [©] . Only prop (client type 'OWN') short option positions shall be eligible for incentives. <ul style="list-style-type: none"> Till Exchange OI for S&P BSE SENSEX options on any given trading day is less than or equal to Rs. 1333.33 Cr., the incentive for that day shall be paid at a rate of Rs.150 per Cr of Member OI for the day. If Exchange OI for S&P BSE SENSEX options on any given trading day crosses Rs.1333.33 Cr, then incentive for that day shall be paid on proportionate basis from a daily pool of Rs. 200,000/- 	
	Retail customer incentive	Retail incentive program as per Exchange notice no—20130716-21 dated July 16,2013 and notice no –20140822-39 dated August 22,2014.	
	Lower Transaction Fee	Options (Rs. / Cr. Premium)	
	Passive	Active	
	0	50	
Clause 2 – Obligations	Quote Obligation	Current and Near Month Contracts	
		Provide 2-way continuous quote during regular trading hours for 85% of trading time as per Annexure 1 and Annexure 2 overleaf for current and near month contracts respectively.	
	The only exceptions** shall be due to technical reasons and fast market conditions. Fulfillment of these quote obligation conditions is subject to the obligation conditions specified below. (** Indicative Exceptions— Market halts in a contract or underlying shall not be counted as trading hours)		
	Spread & Size	Current and Near Month Contracts	
		2-way quote in any one or more market making contract series [‡] as per quote obligations specified in Annexure 1 for current month and Annexure 2 for near month contracts.	
Roll Period (Expiry –1 and Expiry day)	Quoting is compulsory in both current and near month contracts for quote based incentives during the roll period.		
After the daily volume cap is breached	Provide 2-way continuous quote during regular trading hours for 85% of trading time as per Annexure 1 and Annexure 2 overleaf even after the volume incentive cap is breached for current and near month contracts respectively.		
	The only exceptions** shall be due to technical reasons and fast market conditions. (** Indicative Exceptions— Market halts in a contract or underlying shall not be counted as trading hours)		

[†] Incentives are payable only for current and near month expiration on monthly options contracts on eligible underlying

[#] OI—Notional volume of options contracts that are not closed or delivered at the end of a particular day, except current month contracts on their day of expiry.

[‡] Market making contract series shall be published by the exchange on a daily basis

[©] Open Interest Incentives shall be applicable on incentive eligible contracts published by the exchange on time to time.

	Market Makers	General Market Participants																		
Clause 3	<ul style="list-style-type: none"> Members have to register with the exchange to participate as a MM Net worth of Rs. 1 Cr. (~ USD 0.20 Million) No serious disciplinary action against the member in the last 1 year 	Members have to register with the exchange to be eligible for the incentives.																		
Clause 4	<ul style="list-style-type: none"> Eligibility for MM incentive payments shall be determined on daily basis based on fulfillment of the MM’s obligation during the day In case of non-fulfillment of obligations for a specific day, MM’s incentive payments shall be at GMP rates Exchange provides online system (https://leipsmm.bseindia.com) to MMs to view their quoting obligations (MM presence) as well as incentive payouts based on their trading activity Exchange reserves the right to render any members ineligible for further participation in the programme if they engage in activities that are detrimental to the development of the markets 	Exchange reserves the right to render any members ineligible for further participation in the programme if the member engages in activities that are detrimental to the development of the markets																		
Clause 5	<p>Daily Caps— Cash volume incentives shall be paid upto a maximum of Rs. 5625/-Cr. in S&P BSE SENSEX Options (Notional volume) as follows—</p> <table border="1"> <thead> <tr> <th rowspan="2">Total No of Time Periods</th> <th rowspan="2">Duration of Each Time Period</th> <th colspan="2">Time period wise cap for Options Trading (Notional Volume)</th> </tr> <tr> <th>All ITM, ATM,OTM 1 & OTM 2</th> <th>OTM 3 & OTM 4</th> </tr> </thead> <tbody> <tr> <td>First 30 and Last 30 minutes</td> <td>1 minute</td> <td>Rs.4.9768668 Crores</td> <td>Rs. 14.9358685 Crores</td> </tr> <tr> <td>Interim 315 Minutes</td> <td>1 minute</td> <td>Rs 3.516311 Crores</td> <td>Rs.10.5479298 Crores</td> </tr> <tr> <td colspan="2">Daily Volume Incentive Cap</td> <td>Rs 1406.25 Crores</td> <td>Rs. 4218.75 Crores</td> </tr> </tbody> </table> <p>1. Incentive to be paid on pro rata basis on volume contributed by each member in particular time period.</p>		Total No of Time Periods	Duration of Each Time Period	Time period wise cap for Options Trading (Notional Volume)		All ITM, ATM,OTM 1 & OTM 2	OTM 3 & OTM 4	First 30 and Last 30 minutes	1 minute	Rs.4.9768668 Crores	Rs. 14.9358685 Crores	Interim 315 Minutes	1 minute	Rs 3.516311 Crores	Rs.10.5479298 Crores	Daily Volume Incentive Cap		Rs 1406.25 Crores	Rs. 4218.75 Crores
Total No of Time Periods	Duration of Each Time Period	Time period wise cap for Options Trading (Notional Volume)																		
		All ITM, ATM,OTM 1 & OTM 2	OTM 3 & OTM 4																	
First 30 and Last 30 minutes	1 minute	Rs.4.9768668 Crores	Rs. 14.9358685 Crores																	
Interim 315 Minutes	1 minute	Rs 3.516311 Crores	Rs.10.5479298 Crores																	
Daily Volume Incentive Cap		Rs 1406.25 Crores	Rs. 4218.75 Crores																	
Clause 6	<table border="1"> <thead> <tr> <th>Type of Incentive</th> <th>Applicable To</th> <th>Payout Structure</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Trading Volume based Cash Incentive from pool as per Annexure 3</td> <td>MM, GMP</td> <td>Pro-rata basis on options notional volume at rate as per Table 2 overleaf (₹ — Refer Incentive Computation illustration on page 4)</td> </tr> <tr> <td>MMs fulfilling Level 1 Quote Obligations</td> <td>Additional volume based cash incentive for fulfilling Level 1 Quote Obligations on options notional volume at rate as per Table 2 Overleaf (Passive side) and aforementioned incentive ceilings</td> </tr> <tr> <td>Quoting based Cash Incentive</td> <td>MMs fulfilling Level 1 Quote Obligations</td> <td>Additional payout to MM fulfilling Level 1 Quote Obligations refer Annexure 1 for current month contracts and Annexure 2 for near month contracts respectively.</td> </tr> <tr> <td>OI based Cash Incentive</td> <td>MM, GMP</td> <td>Based on Daily OI (‘OWN’ account short positions)</td> </tr> </tbody> </table> <ul style="list-style-type: none"> All above payouts shall be computed and paid on daily basis. All cash payouts shall be paid after TDS deductions. TDS certificate shall be issued on quarterly basis. Service Tax related to incentive payouts shall be paid to the members upon submission of invoice. 		Type of Incentive	Applicable To	Payout Structure	Trading Volume based Cash Incentive from pool as per Annexure 3	MM, GMP	Pro-rata basis on options notional volume at rate as per Table 2 overleaf (₹ — Refer Incentive Computation illustration on page 4)	MMs fulfilling Level 1 Quote Obligations	Additional volume based cash incentive for fulfilling Level 1 Quote Obligations on options notional volume at rate as per Table 2 Overleaf (Passive side) and aforementioned incentive ceilings	Quoting based Cash Incentive	MMs fulfilling Level 1 Quote Obligations	Additional payout to MM fulfilling Level 1 Quote Obligations refer Annexure 1 for current month contracts and Annexure 2 for near month contracts respectively.	OI based Cash Incentive	MM, GMP	Based on Daily OI (‘OWN’ account short positions)				
Type of Incentive	Applicable To	Payout Structure																		
Trading Volume based Cash Incentive from pool as per Annexure 3	MM, GMP	Pro-rata basis on options notional volume at rate as per Table 2 overleaf (₹ — Refer Incentive Computation illustration on page 4)																		
	MMs fulfilling Level 1 Quote Obligations	Additional volume based cash incentive for fulfilling Level 1 Quote Obligations on options notional volume at rate as per Table 2 Overleaf (Passive side) and aforementioned incentive ceilings																		
Quoting based Cash Incentive	MMs fulfilling Level 1 Quote Obligations	Additional payout to MM fulfilling Level 1 Quote Obligations refer Annexure 1 for current month contracts and Annexure 2 for near month contracts respectively.																		
OI based Cash Incentive	MM, GMP	Based on Daily OI (‘OWN’ account short positions)																		
Clause 7	<ul style="list-style-type: none"> S&P BSE SENSEX options contracts as per table 2 	S&P BSE SENSEX options contracts as per table 2																		
Clause 8	<ol style="list-style-type: none"> Launch— May 30, 2014 The scheme shall run as per tenure mentioned in SEBI Circular no.CIR/MRD/DP/14/2014 dated April 23, 2014. 																			

Table 2—Trading Volume Based Cash Incentive current month contract \$

Moneyness ¹ (Call & Put)	Market Makers Incentive Rate (Rs. per Cr.)				General Market Participants Incentive Rate (Rs. per Cr.)			
	Passive*		Active*		Passive*		Active*	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
All remaining ITMs	NA	NA	NA	NA	120	120	120	120
ITM 2	120	240	120	120	120	120	120	120
ITM 1	110	220	110	110	110	110	110	110
ATM	100	200	100	100	100	100	100	100
OTM 1	90	180	90	90	90	90	90	90
OTM 2	80	160	80	80	80	80	80	80
OTM 3	40	80	40	40	40	40	40	40
OTM 4	30	40	30	30	30	30	30	30
All remaining OTMs	NA	NA	NA	NA	0	0	0	0

The total daily incentive pool for trading volume based cash incentive (MM+ GMP incentive) will be paid from the pool as per Annexure-3, if the total trading volume based cash incentive (MM+ GMP incentive) crosses the Pool these incentive shall be paid on pro-rata basis.

Illustration—(before pool incentive cap hit)

Per minute Incentive Cap in 1 st minute of trading time.	Time period wise incentive cap In 1 st minute of trading time	Scenario 1 - Volume in 1 st minute of trading time	Scenario - 2 Volume in 1 st minute of trading time	Member A-Turnover in scenarios 1	Member A-Turnover in scenarios 2
All ITM,ATM,OTM1 & OTM 2	Rs.4.9768668 Cr	Rs.10 Cr	Rs.1Cr	OTM1 passive buy -Rs 3 Cr*	OTM1 passive buy -Rs 0.5 Cr
OTM3 & OTM 4	Rs. 14.9358685 Cr	Rs. 20 Cr	Rs.10Cr	OTM3 active buy -Rs. 5Cr	OTM3 active buy -Rs. 5 Cr
Total	Rs. 19.9127353 Cr	Rs.30 Cr	Rs.11Cr	Rs.8Cr	Rs.5.5 Cr

Pro-rata calculation for Scenario 1— 1) All ITM,ATM,OTM1 &OTM2 = Rs 4.9768668 Cr/10 Cr =0.49768; 2)OTM3 & OTM4 = Rs.14.935868 Cr/Rs.20 Crs = 0.7467934.

Incentive calculation for Member A :-

OTM 1 Passive buy = Scenario 1) Rs.3 Cr * 0.49768* Rs.90/Cr =Rs.134.37 ; scenario 2) Rs. 0.5 crs * 1 *Rs.90/Cr= Rs.45/-

OTM 3 active buy = Scenario 1) Rs.5 Cr *0.7467934*Rs.40/Cr = Rs.149.35 ; Scenario 2) - Rs.5 crs* Rs 40/Cr = Rs.200/-

\$ Note— All the GMPs will receive assured incentive upto first 10 lots combined across all the LEIPS schemes running on the derivatives contracts in a day. i.e upto first 10 lots GMP will receive full incentive rate and no pro rata rate ,either in any LEIP Scheme or all LEIPS schemes combined which ever is first as per time priority wise for a day.

*.Active / passive—In any trade, the order with the earlier time stamp is passive and the order with the later time stamp is active

¹-ITM, ATM and OTM strike prices on which Level 1 Quote Obligations shall have to be maintained on a given trading day shall be published by the Exchange on daily basis.

Annexure 1: Level 1—Quote Based Obligation and Incentive (Current Month Contracts)

- MMs shall have flexibility to choose a spread – size specification from those listed in Table 4 and Table 5 below:

Table 4—Level 1: Spread Size Specification for Current Month Contracts[^]

	Option 1	Option 2	Option 3
Maximum Spread	Higher of 0.5% of Bid Price or Bid Price based Max. Permissible Spread as per Table 5	Higher of 0.75% of Bid Price or Bid Price based Max. Permissible Spread as per Table 5	Higher of 1% of Bid Price or Bid Price based Max. Permissible Spread as per Table 5
Minimum Lots (no. of contracts)	10	20	30

Table 5— Bid Price Based Maximum Permissible Spread for Level 1 Quoting Obligations Current Month contracts[^]

Bid Price Range (Rs.)	Max. Permissible Spread (Rs.)
0 - 9.9999	0.15
10 - 29.9999	0.25
30 - 49.9999	0.40
50 - 74.9999	0.50
75 - 99.9999	0.60
100-200	0.75
Above 200	1.00

- MMs can interchangeably use the above spread—size specifications on an intra-day basis. i.e. MMs have the flexibility to choose different spread—size specifications at different points in time.

- Illustration:**

Case 1: MM 'A' maintained 2-way quote in the following manner (no time overlap amongst the options):

- ◆ At a spread of 0.50% of bid price with 10 lots between 9.15 am. to 12.00 pm
- ◆ At a spread of 0.75% of bid price with 20 lots between 12.00 pm. to 1.00 pm.
- ◆ At a spread of 1.00% of bid price with 30 lots between 1.00 pm. to 3.00 pm.

The Level 1 presence accounted for this member will be from 9.15 am to 3.00 pm.

Case 2: MM 'B' maintained 2-way quote in the following manner (time overlap amongst the options):

- ◆ At a spread of 0.50% of bid price with 10 lots between 9.15 am. to 12.00 pm.
- ◆ At a spread of 0.75% of bid price with 20 lots between 10.00 am. to 12.00 pm.
- ◆ At a spread of 1.00% of bid price with 30 lots between 1.00 pm. to 3.00 pm.

The Level 1 presence accounted for this member will be from 9.15 am. to 12.00 pm. and then from 1.00 pm. to 3.00 pm.

Annexure 1: Level 1—Quote Based Obligation and Incentive (Current month Contract) continued..

Current Month SENSEX Options Quoting Incentives								
Moneyness (Call and Put)	Total Pool for Quote Based Cash Incentive (Level 1) Rate per MM for CALL (Rs.)	Total Pool for Quote Based Cash Incentive (Level 1) Rate per MM for PUT (Rs.)	Total Addi- tional In- centive if Quoting in pairs	Total (Rs)	% Incentive of respective pool of specific strike (Session wise quoting incentive)			
					Session 1	Session 2	Session 3	TOTAL
ITM 2	20,000	20,000	5,000	45,000	25%	50%	25%	100%
ITM 1	18,000	18,000	4,000	40,000	25%	50%	25%	100%
ATM	18,000	18,000	4,000	40,000	25%	50%	25%	100%
OTM 1	13,500	13,500	3,000	30,000	25%	50%	25%	100%
OTM 2	9,000	9,000	2,000	20,000	25%	50%	25%	100%
OTM 3	6,750	6,750	1,500	15,000	25%	50%	25%	100%
OTM 4	4,500	4,500	1,000	10,000	25%	50%	25%	100%
Total	89,750	89,750	20,500	2,00,000	25%	50%	25%	100%
Additional Incentive for fulfilling quoting obligations in all the above strikes (Rs.)						70,000		
Total Pool for Level 1 Quoting Incentives (Rs.)						2,70,000#		

Level 1 Quote Based Incentives shall be distributed from the existing daily pool of Rs. 2.7 Lakhs. i.e if the total of Level 1 Quote Based Incentives crosses Rs. 2.7 Lakhs, incentives shall be paid proportionately from the pool.

^ If the sell quote of any strike is quoted as 0.05 paise, then the MM will not be obliged to give the Bid Quote.

* ITM, ATM and OTM strike prices on which Quote Obligations shall have to be maintained on a given trading day shall be published by the Exchange on daily basis.

Session wise quoting— For quoting incentive as per Annexure 1 Market maker has to quote 85% as per spread size obligation in table 4 & 5 in three sessions as per following table. Quote incentives shall divide each session wise.

Session wise quoting incentives are as per below table—

Session	Time (Total trading time 375 minutes)	Required Presence %	Incentive in Rs
Session 1	First 30 minutes	85%	50000
Session 2	Interim 315 minutes	85%	100000
Session 3	Last 30 minutes	85%	50000

- Quote based incentive as per current month options incentives table above shall be paid session wise.i.e a market maker keeping presence of 85% in any particular strike in any particular session shall be eligible for that session and strike incentive as per current month options incentive table of Annexure 1
- Additional incentive of Rs.70,000/- shall be paid if qualified market maker keeps 85% in all sessions in all 14 call and put strikes.

Annexure 2: –Additional Quote Based Obligation and Incentive in Near Month Contracts

- MMs shall have flexibility to choose a spread – size specification from those listed in Table 6 and Table 7 below:

Table 6— Spread Size Specification for Near Month Contracts[^]

	Option 1	Option 2	Option 3
Maximum Spread	Higher of 1% of Bid Price or Bid Price based Max. Permissible Spread as per Table 7	Higher of 1.25% of Bid Price or Bid Price based Max. Permissible Spread as per Table 7	Higher of 1.50% of Bid Price or Bid Price based Max. Permissible Spread as per Table 7
Minimum Lots (no. of contracts)	5	10	15

Table 7— Bid Price Based Maximum Permissible Spread for Level 1 Quoting Obligations Near Month contracts[^]

Bid Price Range (Rs.)	Max. Permissible Spread (Rs.)
0 - 9.9999	0.15
10 - 29.9999	0.25
30 - 49.9999	0.40
50 - 74.9999	0.50
75 - 99.9999	0.60
100-200	0.75
Above 200	1.00

- MMs can interchangeably use the above spread—size specifications on an intra-day basis. i.e. MMs have the flexibility to choose different spread—size specifications at different points in time.

- **Illustration:**

Case 1: MM 'A' maintained 2-way quote in the following manner (no time overlap amongst the options):

- ◆ At a spread of 0.1% of bid price with 5 lots between 9.15 am. to 12.00 pm.
- ◆ At a spread of 1.25% of bid price with 10 lots between 12.00 pm. to 1.00 pm.
- ◆ At a spread of 1.50% of bid price with 15 lots between 1.00 pm. to 3.00 pm.

The Level 1 presence accounted for this member will be from 9.15 am to 3.00 pm.

Case 2: MM 'B' maintained 2-way quote in the following manner (time overlap amongst the options):

- ◆ At a spread of 0.1% of bid price with 5 lots between 9.15 am. to 12.00 pm.
- ◆ At a spread of 1.25% of bid price with 10 lots between 10.00 am. to 12.00 pm.
- ◆ At a spread of 1.50% of bid price with 15 lots between 1.00 pm. to 3.00 pm.

The Level 1 presence accounted for this member will be from 9.15 am. to 12.00 pm. and then from 1.00 pm. to 3.00 pm.

Annexure 2: Level 1—Quote Based Obligation and Incentive (Near month Contract) continued..

Near Month SENSEX Options Quoting Incentives								
Moneyness (Call and Put)	Total Pool for Quote Based Cash Incentive (Level 1) Rate per MM for CALL (Rs.)	Total Pool for Quote Based Cash Incentive (Level 1) Rate per MM for PUT (Rs.)	Total Addi- tional In- centive if Quoting in pairs	Total (Rs)	% Incentive of respective pool of specific strike (Session wise quoting incentive)			
					Session 1	Session 2	Session 3	TOTAL
ITM 2	10,000	10,000	2,500	22,500	25%	50%	25%	100%
ITM 1	9,000	9,000	2,000	20,000	25%	50%	25%	100%
ATM	9,000	9,000	2,000	20,000	25%	50%	25%	100%
OTM 1	6,750	6,750	1,500	15,000	25%	50%	25%	100%
OTM 2	4,500	4,500	1,000	10,000	25%	50%	25%	100%
OTM 3	3,375	3,375	750	7,500	25%	50%	25%	100%
OTM 4	2,250	2,250	500	5,000	25%	50%	25%	100%
Total	44875	44875	10250	100000	25%	50%	25%	100%
Total Pool for Level 1 Quoting Incentives (Rs.)						1,00,000#		

Level 1 near month quote based Incentives shall be distributed from the existing daily pool of Rs. 1 Lakhs. i.e if the total of Level 1 near month quote based incentives crosses Rs. 1 Lakhs, incentives shall be paid proportionately from the pool.

^ If the sell quote of any strike is quoted as 0.05 paise, then the MM will not be obliged to give the Bid Quote.

* ITM, ATM and OTM strike prices on which Quote Obligations shall have to be maintained on a given trading day shall be published by the Exchange on daily basis.

Session wise quoting— For quoting incentive as per Annexure 2 Market makers has to quote 85% as per spread size obligation in table 6 & 7 in three sessions as per following table. Quote incentives will be divided each session wise.

Session wise quoting incentives are as per below table—

Session	Time (Total trading time 375 minutes)	Required Presence %	Incentive in Rs
Session 1	First 30 minutes	85%	25000
Session 2	Interim 315 minutes	85%	50000
Session 3	Last 30 minutes	85%	25000

- Quote based incentives as per near month options incentive table above shall be paid session wise.i.e a market maker keeping presence of 85% in any particular strike in any particular session shall be eligible for strike incentives for that session as per near month options incentives table as above.

Annexure 3– Trading Volume based cash incentive pool for MMs and GMPs together.

A) Trading Incentives pay out Cap for individual MM and GMP - Daily maximum pay out per member (MM and GMP) shall be capped at 10% of total daily exchange trading incentive cap.

B) Total trading volume based cash incentive on current month contracts as per table 2 paid to MMs and GMPs together will be capped at daily pools as per below table. If the total incentive amount crosses the daily pool then the incentives shall be paid on pro-rata basis.

Details	1 st week of the con-	2 nd week of the	3 rd week of the	Expiry week
Daily total MM+GMP trading volume based cash incentive Pool	Rs.7Lakhs per day	Rs.6Lakhs per day	Rs.5.50 Lakhs per day	Rs.5 Lakhs per day

The weekly calendar shall be based on the Expiry cycle i.e. start of fresh expiry till expiry day. The expiry cycle month shall be divided in working weeks.

Example – If the Expiry takes place on Monday. The new expiry cycle for next month will begin on following Tuesday. In this case, the working weeks that shall be determined as Tuesday 1st week to Monday falling on 2nd week and soon.

In case there are more than 4 weeks in expiry month cycle, the entire period after completion of 3rd week till the expiry day shall be counted as expiry week.

Annexure 4–Introduction of Monthly quoting Incentives for MM's

- **Monthly quoting incentive pool of Rs.11 Lakhs for MM's qualifying on all days in all sessions in all applicable 14 strikes in both current month & near month contracts. If the total monthly incentive across qualifying MMs crosses the pool of 11 lakhs then MMs shall be paid monthly incentive on pro rata basis from the aforesaid pool of Rs.11 lakhs.**

Registration Form for General Market Participant (GMP)

Please print the form on next page on the official stationary (letter head) of the member and
Submit it to your relationship manager.

To,
Business Development Department,
BSE Ltd,
P.J Towers, Dalal Street,
Mumbai 400001, India
Fax: (022) 2272 3001

Registration as General Market Participant (GMP)

1. We _____(name of the member / Clearing Number) would like to register in LEIPS S&P SENSEX Options programme as a General Market Participant.
2. We have read and understood the details of the LEIPS S&P SENSEX Options programme.
3. We are aware that we have to follow a separate registration process if we are interested to participate in LEIPS S&P SENSEX Options programme as a Market Maker.
4. We are aware that BSE reserves the right to render any member ineligible for further participation in the programme if the member engages in activities that are detrimental to the development of the market.
5. We understand that BSE has the right to terminate or amend the programme or expand one or more of the conditions laid down in their circular at its discretion in accordance with SEBI circular CIR/MRD/DP/14/2014.
6. Listed below are our service providers:

Front Office Vendor: _____

Back Office Vendor: _____

7. Listed below are the contact details of designated person from our organization for all derivatives related transactions:

Name: _____

Designation: _____

Mobile: _____

Phone: _____

Email: _____

Name Position (of Designated Person)

(Signature / Stamp of the company)

Place, Date

Phone / Fax/ Email Id

Registration Form for Market Maker in LEIPS-S&P BSE SENSEX Options

(Please print the form on next page on the official stationary of the member and
Submit it to your relationship manager)

To,

Business Development Department,
BSE Ltd,
P.J Towers, Dalal Street,
Mumbai 400001, India
Fax: (022) 2272 3001

Registration in LEIPS-S&P BSE SENSEX Options as Market Maker

1. We _____ (name of the member / Clearing Number) are registering as 'Market Maker' (MM) in listed underlying and type (as indicated in Table 1—List of underlying for Market Making) in accordance to the terms and conditions stated in the LEIPS-S&P BSE SENSEX Options — Terms and Conditions.
2. We will fulfill all the Eligibility conditions as given in Clause 3 of LEIPS-S&P BSE SENSEX Options — Terms and Conditions.
3. As a MM we will fulfill all obligations as given in Clause 2 of LEIPS-S&P BSE SENSEX Options — Terms and Conditions.
4. We shall abide by the letter and spirit of this LEIPS-S&P BSE SENSEX Options circular (as well as all circulars issued by SEBI and the BSE) to maintain the sanctity of the market place. We are aware that BSE reserves the right to render any member ineligible for further participation in the programme if the member engages in activities that are detrimental to the development of the market.
5. We understand that BSE has the right to terminate this programme or amend or expand one or more of the conditions laid down in this circular at its discretion in accordance with SEBI circular CIR/MRD/DP/14/2014.

6. Listed below are our service providers:

Front Office Vendor: _____

Back Office Vendor: _____

7. Listed are the contact details of the designated person from our organization for all derivatives related transactions:

Name: _____

Designation: _____

Mobile: _____

Phone: _____

Email: _____

Name Position (Designated Person)

(Signature / Stamp of the company)

Place, Date

Phone / Fax/ Email Id

Registration in LEIPS-S&P BSE SENSEX Options as Market Maker (cont.)

Please indicate securities for which your firm is registering as market maker by putting a clearly marked “X” in the appropriate cell in the Table 1—List of underlying for Market Making (below). Your application shall be considered incomplete without this.

Table 1—List of Underlying for Market Making

Underlying	Options
S&P BSE SENSEX	