

## **Annexure 2**

### **Market making obligation for Designated secondary market maker (DSMM) -**

- Members willing to apply for Designated Secondary Market Maker (DSMM) in the Equity Derivatives segment shall apply in BEFS portal in the Pre-specified format.
- Member can apply for DSMM for self or for their client clearly mentioning the client code in which they intend to act as Market Maker.
- Each member shall be allowed to apply for market making in only one client code.
- Member can apply as DSMM from the list of instruments / securities specified by the Exchange from time to time.
- Members should clearly specify the securities in which they intend to do Market Making.
- Exchange reserves the right to suspend or discontinue any DSMM in case of any mala fide intentions or interests observed by the exchange.

Following are the obligations of Designated Secondary Market Maker (DSMM) in Equity Derivatives segment –

**a. Securities Eligible for Designated Secondary Market Maker –**

- i. S&P BSE Sensex 50 Futures – All Contracts
- ii. S&P BSE Sensex 50 Options – All Contracts

**b. Designated Secondary Market Maker Registration Requirement –**

Mandatory for members willing to register as DSMM. Members can apply for DSMM registration anytime during the Month subject to approval of Exchange. Member can apply as DSMM thru BEFS portal, there shall be no requirement to upload the application form to register as DSMM.

**c. Incentives –** No additional Incentives shall be applicable for DSMM.

**d. Presence Requirements –**

Provide two-way quotes in any contract of the specific security for minimum 40% of the trading hours' time in a day for minimum 25% of trading days in a month from the date of appointment as DSMM.

**e. No of Lots –** Minimum 1 Lot.

**f. Designated Secondary Market Maker Qualification for subsequent month –**

DSMM shall be considered as qualified Market Maker only for the securities in which he is able to fulfill above obligations and shall be automatically considered deemed Market Maker for the same securities for the subsequent month.

**g. Re-registration in case of failure to qualify as Designated Secondary Market Maker in selected securities –**

Member may re-apply as DSMM on Monthly basis which shall be applicable for the subsequent Month (can reapply in last week of the Month clearly specifying list of securities). Member needs to provide re-registration request by reapplying on BEFS portal.

**h. Spread Requirements –**

<b>Sr No</b>	<b>Product</b>	<b>Max. permissible Spread Requirements between bid and offer price -</b>
i	S&P BSE SENSEX 50 Futures contracts (All contracts)	Maximum permissible spread of 0.20 %.
ii	S&P BSE SENSEX 50 Options (All contracts))	Maximum permissible spread of 10% or Rs. 5 (Whichever is higher)

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