

Annexure

Framework for Market Maker in S&P BSE SENSEX and S&P BSE BANKEX Derivatives contracts in Equity Derivatives Segment.	
A.	Process of Registration as Market Maker -
	<ul style="list-style-type: none"> • Members willing to apply for Market Maker in the Equity Derivatives segment shall apply in BEFS Exchange portal in the pre-specified format. • Member can apply 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 should clearly specify the securities in which they intend to do Market Making. <ul style="list-style-type: none"> - S&P BSE Sensex Options - S&P BSE Bankex Options
B.	Eligibility of Market Maker -
	<ul style="list-style-type: none"> • Net worth criteria – The trading members who wish to apply as Market maker should have a minimum net worth of Rs. 1 Crore as per L.C Gupta Format. • Disciplinary Action – There should not be any material disciplinary action taken against the trading member by the exchange in the last 1 year such as cumulative penalty of Rs. 10 Lakhs and above, or disablement of terminals or suspension on account of regulatory non-compliances observed by the Exchange and any strictures passed by the Regulator and are in force. • Capital Market Experience - The trading member is registered with any of the Stock Exchanges for more than 2 years Or / Key official (at least one key official - Designated Director, Whole time Director, Partner, Proprietor etc.) of the member firm shall have minimum 2 -year experience in the Capital / Commodity Markets.
C.	Selection of Market Maker -
	<ul style="list-style-type: none"> • Post receipt of the application as Market Maker, Exchange shall determine eligibility criteria for each of the member and accordingly shall approve / reject the member's application as Market Maker. • Exchange reserves the right to suspend or discontinue any Market Maker in case of any mala fide intentions or interests observed by the exchange.
D.	Securities Eligible for Market Maker -
	<ol style="list-style-type: none"> I. S&P BSE SENSEX Futures II. S&P BSE SENSEX Options (Excluding Near Week Contracts) III. S&P BSE BANKEX Futures IV. S&P BSE BANKEX Options (Excluding Near Week Contracts)
E.	Incentives -
	<ul style="list-style-type: none"> • No Incentives shall be given to Market Maker.
F.	Spread and minimum number of lots requirements -

Annexure

	Product	Maximum permissible Spread Requirements between bid and offer price -	Minimum No. of Lots
	S&P BSE SENSEX Futures	Maximum permissible spread of 0.10 % of bid price	1
	S&P BSE SENSEX Options	Maximum permissible spread of 10 % or Rs. 5 (Whichever is higher) of bid price.	1
	S&P BSE BANKEX Futures	Maximum permissible spread of 0.10 % of bid price.	1
	S&P BSE BANKEX Options	Maximum permissible spread of 10 % or Rs. 5 (Whichever is higher) of bid price.	1
G.	Presence Requirements –		
	<ul style="list-style-type: none"> • S&P BSE SENSEX Futures - Provide two-way quotes in minimum 1 contract of the specific security (in weekly / near month / next month / far month contracts only) for minimum 25% of the trading hours' time in a day for minimum 25% of trading days in a month from the date of appointment as Market Maker. • S&P BSE SENSEX Options - Provide two-way quotes in minimum 3 contracts of the specific security (in weekly / near month / next month / far month contracts only) for minimum 25% of the trading hours' time in a day for minimum 25% of trading days in a month from the date of appointment as Market Maker. • S&P BSE BANKEX Futures - Provide two-way quotes in minimum 1 contract of the specific security (in weekly / near month / next month / far month contracts only) for minimum 25% of the trading hours' time in a day for minimum 25% of trading days in a month from the date of appointment as Market Maker. • S&P BSE BANKEX Options - Provide two-way quotes in minimum 3 contracts of the specific security (in weekly / near month / next month / far month contracts only) for minimum 25% of the trading hours' time in a day for minimum 25% of trading days in a month from the date of appointment as Market Maker. 		
H.	Order Based Surveillance Measure - Persistent Noise Creator (PNC)		
	<ul style="list-style-type: none"> • Member shall be exempted from Order Based Surveillance - PNC framework for the period in which the member is registered / qualified as Market Maker in the specific securities mentioned above. • In case of failure to qualify, such exemption shall not applicable. 		
I.	Review of Market Maker –		
	<ul style="list-style-type: none"> • The review of Market Maker shall be carried out on monthly basis. The Market Maker shall be considered as qualified Market Maker only for the securities in which he is able to fulfil above obligations and shall be automatically considered deemed Market Maker for the same securities for the subsequent month. 		

Annexure

- In case of failure to qualify as Market Maker, the member shall stand disqualified for the next Calendar Month in specified securities. Such member can re-apply as Market Maker anytime thereafter with effective Market Making applicability of the subsequent month.

Example-

Market Maker is appointed for July Month in S&P BSE SENSEX Options, the Market Maker has the obligation to provide two-way quotes in S&P BSE SENSEX Options. The review shall happen at the last working day of the month in accordance with the framework specified for Market Maker.

In case, the Market Maker is able to qualify in S&P BSE SENSEX Options, such member shall be considered qualified as Market Maker and shall automatically be deemed as Market Maker for Aug Month in S&P BSE SENSEX Options.

In case of failure to qualify as Market Maker for July Month in S&P BSE SENSEX Options, the member will stand disqualified as Market Maker for Aug Month in S&P BSE SENSEX Options

Such Market Maker can re-apply as Market Maker anytime during Aug Month or thereafter with effective Market Maker applicability of subsequent month for S&P BSE SENSEX Options.