

Annexure I - LEIPS-I (BETA)

LEIPS-I (BETA) is intended to help members test their end-to-end systems for quoting, trading, and clearing capabilities. LEIPS-I (BETA) will run from September 28th to October 25th.

LEIPS-I (BETA) has two type of Incentives—I) Volume Based Cash Incentive - tied to trading volumes in eligible derivatives and II) Lower Transaction Fee - to lower members trading expenses.

I) Volume Based Cash Incentives payout rates during the programme are as follows:

Futures (Rs. /Cr.)			
Passive*		Active*	
Buy	Sell	Buy	Sell
1,100	1,100	1,100	1,100
Options (Rs. / Cr. Premium)			
Passive*		Active*	
Buy	Sell	Buy	Sell
1,500	1,500	1,500	1,500

II) Transaction fees are as follows:

Futures (Rs. /Cr.)		Options (Rs. / Cr. Premium)	
Active	Passive	Active	Passive
50	0	50	0

Mechanics

- Volume Based Cash Incentives paid in futures is capped up to Rs. 400 Cr. in daily volume.
- Volume Based Cash Incentives paid in options is capped up to Rs. 400 Cr. of daily options premium volume.
- Payouts per trade will be capped at maximum of 10 contracts.
- Incentives are payable only for current month expiration on monthly futures and options contracts on SENSEX and underlying 30-SENSEX stocks, and near month expiration contracts of the same during the roll period
- Each member will be entitled to be paid at least Rs. 5,000 (Rs. 2,500 in futures and Rs. 2,500 in options) daily in Volume Based Cash Incentives even if the daily volume based cash incentive ceilings have been hit. The calculations will be based on volume based cash incentive payout rates.

All members wishing to avail these benefits will have to formally register in LEIPS—I (BETA). Registration in LEIPS-I (BETA) automatically registers you as a General Market Participant for LEIPS—II. Members who participate in LEIPS-I (BETA) and wish to be Market Makers in LEIPS—II will also have to fill in an additional form in Annexure II.

The effective implementation and success of LEIPS-I will require detailed monitoring of order and trade activities of members. BSE will provide members with reports on their trading activities on a regular basis. BSE will also generate reports for its board and SEBI on a periodic basis to keep them informed and to comply with SEBI Circular CIR/DNPD/5/2011 dated June 2, 2011 (also made available vide BSE notice: 20110602-18).

Participating members will be paid on a daily basis at the rate of Rs. 1,100 / Cr. Futures and Rs. 1,500 / Cr. of Options Premium. All cash payouts will be paid after TDS deductions. TDS certificate will be issued on quarterly basis. Service Tax related to incentive payouts will be paid to the members upon submission of invoices.

We invite members to register their participation interests as soon as possible. Member should print the attached application form on official stationery and submit it to us in physical format.

Queries and Information Contact:

Please contact your individual relationship managers (or contacts as listed in Annexure III) for more details.

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The information in this document is subject to change without notice. Registration of a Member of BSE in LEIPS-I (BETA) and LEIPS-II 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.

Registration Form for LEIPS—I (BETA)

(Please print the form on next page on the official stationary (letter head) of the member.
Submit it to your relationship manager or one of the contacts listed in Annexure III)

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

Registration in LEIPS –I (BETA)

1. We _____(name of the member / Clearing Number) would like to register in LEIPS-I (BETA).
2. We are aware that registration in LEIPS-I (BETA) automatically registers us as a General Market Participant in LEIPS–II. We have read and understood the details of both programmes.
3. We are aware that we have to fill in the additional form in Annexure II if we are interested in participating in LEIPS-II as a Market Maker.
4. We are aware that BSE reserves the right to render certain members ineligible from further participation in a programme if they engage in activities that are detrimental to the development of the market.
5. We understand that BSE has the right to terminate or amend any programme or expand one or more of the conditions laid down in their circular at its discretion in accordance with SEBI circular CIR/DNPD/5/2011.
6. Listed below are our service providers:
Front Office Vendor: _____
Back Office Vendor: _____
7. Listed below 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