

**Ref: 10-11/ISS/5145/KS**

February 21, 2011

**All Registered Intermediaries of ISS(RIs)**

Dear Sir / Madam,

**Sub.: Modifications to client code post trade execution**

**Ref.: NSE Circular No.NSE/INVG/2011/596 dated February 17, 2011**

Pursuant to circular issued by NSE in the above subject, Members are cautioned about the use of client code modification as NSE have imposed penalty structure for client code modification. We are enclosing here with the NSE circular No. NSE/INVG/2011/596 dated February 17, 2011.

If any client code modification is done during the post trade execution, then the same should be brought to the notice of ISS with reasons in writing from the client concerned for ISS records and reference.

The penalty structure shall be effective from February 2011 and will replace the current penalty structure for client code modifications in the Capital Market segment.

In case you require any further clarifications, you may contact the undersigned or Ms. Nayana K on 67941115 or your relationship Managers or your queries to be addressed to [custody@iseindia.com](mailto:custody@iseindia.com)

Thanking you,

Yours faithfully

**For ISE SECURITIES AND SERVICES LTD.**

**Kevin M. N. Sunder**

Head Custody Department

Encl: NSE circulars as referred above.

**INVESTIGATION DEPARTMENT****CIRCULAR**

Circular No. NSE/INVG/2011/596  
Download No. NSE/INVG/2011/17029

February 17, 2011

Dear Members,

**Sub: Modifications to client code**

Trading members are aware that Securities and Exchange Board of India (SEBI) vide ref. no. CIR/DNPD/01/2011 dated January 3, 2011 has issued a circular regarding the modification to client codes post trade execution (copy enclosed).

Pursuant to the said circular, the following monthly penalty structure for client code modifications in the Capital Market Segment (CM), Equity Derivatives Segment (F&O) and Currency Derivatives Segment (CDS) is being made applicable w.e.f. February 2011.

<b>Modified client codes for non-institutional orders as a percentage of total orders(matched) in CM and modified client codes for non-institutional trades as a percentage of total trades (F&amp;O and CDS)</b>	<b>Amount (in Rs)</b>
Less than or equal to 1%	NIL
Greater than 1% but less than or equal to 2%	5000/- per segment
Greater than 2% but less than or equal to 4%	25000/- per segment
Greater than 4% but less than or equal to 5%	50000/- per segment
Greater than 5%	100000/- per segment

Penalties shall be computed on a monthly basis in respect of client code modifications for non-institutional orders/trades only.

In addition to the above penalty structure, cases where value of modified trades of non-institutional clients is significant, suitable disciplinary action proceedings would be initiated.

The above penalty structure shall be effective from February 2011 and will replace the current penalty structure for client code modifications in the Capital Market segment.

For any clarifications, members are advised to contact Mr. Avinash Kharkar or Mr. Chirag Mehta on 022-2659 8366.

**For National Stock Exchange of India Limited**

**Nisha Subhash**  
**Assistant Vice President**  
**Investigation**