

Policy on Good Till Triggered

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Prepared/Reviewed on :	08-10-2024
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Approved by :	Board of Directors
Policy Approved on:s	29-10-2024
Version	1.00

BackGround

The circular NSE/INSP/62528 dated June 21, 2024, from the National Stock Exchange (NSE) provides guidelines on handling Good till Date (GTT) orders.

Policy Overview

Exchanges vide it's circular NSE/INSP/62528 dated June 21, 2024 and 20240622-2 dated June 22, 2024 pertaining to 'Policy on Handling of Good Till Cancelled Orders offered by Members to Clients' mandated trading members to formulate a policy in case they offer "Good Till Cancelled" / "Good Till Triggered" orders or orders of similar type

Definition: A GTT order is a type of order that remains valid until a specified date or until it is executed or cancelled by the trade.

Purpose: To ensure standardized and transparent handling of Good till Date (GTT) orders in accordance with regulatory requirements and best practices.

Validity Period: GTT is the feature introduced to overcome this short coming wherein the order remains active till the time trigger is not hit or 365 days whichever is earlier.

Scope:

- 1- As per exchange members who offer Good till Cancelled/Good till Triggered orders or orders of similar type, shall be part of the policy includes following points Details of Good till Cancelled/Good till Triggered/orders of similar type provided by member including its validity.
- 2- Manner of handling of such orders in case of corporate actions (e.g. cancellation, price reset, retaining, etc. for the unexecuted orders).
- 3- Provide timeline within which the member shall intimate their clients about details of upcoming corporate actions applicable for such unexecuted orders of clients, which shall not be later than one day prior to the ex-date of the corporate action.

Order Placement

- 1- All existing and new clients of BOBCAPS who are eligible to trade in Equity Cash product & Derivatives can avail GTT facility for order placement.
- 2- GTT orders, can use the feature to trade in every listed stock. However, the orders only apply for scrips listed on NSE, BSE cash and NSE F&O. The validity for such orders is 365 days from the day of order execution.
- 3- Orders with GTT validity can be placed both during the market hours as well as post market hours.
- 4- GTT orders can be placed over Call-N-Trade.
- 5- client can place maximum 5 GTT orders for a particular scrip and in all a client can place maximum 30 GTT orders across all eligible scrips

Order Type

Buy and Sell GTT:

GTT order can be placed as GTT Buy and Sell Orders. The Trigger logic is based on LTP at the time of order placing and is as follows: **GTT Buy order:**

I. **GTT Buy order placed below LTP:**

When the client wants to buy a stock when the price goes down, he can place GTT Buy order with trigger price below LTP. The order will get triggered when LTP is at or below the trigger price

II. **GTT Buy order placed above LTP:**

III. **GTT Buy order placed above LTP:**
When the client wants to buy a stock when the price goes up, he can place GTT Buy order with trigger price above LTP. If case of FNO, GTT Buy orders above LTP can be as stop loss order. The order will get triggered when LTP is at or above the trigger price

GTT Sell order placed above LTP:
When the client wants to Sell a stock and book profit above a certain price, he can place GTT Sell order with trigger price above LTP. The order will get triggered when LTP is at or above the trigger price

IV. **GTT Sell order placed below LTP:**

When the client wants to sell a stock below LTP, he can place GTT Sell order with trigger price below LTP. This can be used for setting stop loss for client's holdings. The order will get triggered when LTP is at or below the trigger price

OCO GTT Order:

OCO orders are applicable only for Sell orders. One-Cancels-the-Other (OCO) order is a type of order that combines a regular limit order with a stop loss market order. OCO is a single order (one order ID is generated) with two prices 'Target Price' and 'SL' price.

- The client enters two price -Target price and Stop loss price. Each price will have a trigger.
- There are two trigger prices entered and when one trigger is hit the other order gets cancelled.
- That is, if the stop-loss price of this OCO order gets triggered, the target price gets cancelled.
- Incase of OCO orders the Target price is above LTP and SL is below LTP. However, incase the client places SL order above LTP, the order will get triggered.

Modification and Cancellation

The client is able to modify and cancel GTT orders from GTT order book. Once triggered, the price can be modified or order can be cancelled from normal Order book.

Validity

The orders are valid for 365 days or till triggered, whichever is earlier. Once a GTT order is trigger. the order is placed as a normal order with day validity and reflects in normal order book. Irrespective

of whether the order gets executed or remains pending, the order is not carried forward for subsequent day.

Sell GTT and OCO Orders

Before placing the Sell GTT Order NON-POA clients will have to authorize their holdings. Placed Sell GTT Orders will get executed at the exchange when a client has enough stocks in the Holdings for a sell transaction.

Frequency of LTP matching with trigger price Trigger price matching with LTP would be done during normal market hours only. Pre-open session is not considered for the same.

The trigger prices are compared with LTP with a time interval of 3 seconds. Incase, where the trigger is hit and the price reverse in 3 seconds, there would be a probability of trigger not getting activated.

Corporate Actions

- The impact of corporate action does not impact the GTT orders. The orders remain in the system post corporate action and would get executed based on triggers.

Policy Communication:

The said policy shall be made part of the Account Opening Form/Kit under heading "Policy on Handling of Good till Cancelled Orders of Client" of Policy and Procedures document and shall also be displayed on the website.

The said policy shall be informed to the existing clients via email or any other suitable mechanism which can be preserved. In case if communication gets bounced/undelivered, the same shall be communicated through alternate channels to such clients.

Other suitable mechanism may include physical delivery/SMS/electronic instant messaging services after adhering with the safeguards prescribed under Exchange Circular NSE/INSP/52604 dated June 10, 2022 on Issuance of Electronic Contract Notes (ECN) through SMS/electronic instant messaging services.

Policy Review:

The said policy shall be reviewed on an annual basis.

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Circular

DEPARTMENT: INSPECTION	
Download Ref No: NSE/INSP/62528	Date: June 21, 2024
Circular Ref. No: 40/2024	

To All Trading Members,

Sub: Policy on Handling of Good Till Cancelled Orders offered by Members to Clients

It has been observed that certain members offer Good Till Cancelled/Good Till Triggered orders or orders of similar type to their clients that enables clients to place buying and selling orders by specifying the price and also the time frame for which an order would remain valid for placing on the Stock Exchange platform.

In case of corporate actions, such orders could lead to absurd trades and investors are at risk of facing losses. Since the aforesaid types of orders are offered by members, mechanism for handling such orders varies from member to member. In case of a corporate action, while certain members cancel such orders, other brokers do not cancel the same.

In view of the above, it has been decided in consultation with SEBI and Broker's Industry Standards Forum that the members, who offer Good Till Cancelled/Good Till Triggered orders or orders of similar type, shall formulate a policy for the same. The policy shall include:

- Details of Good Till Cancelled/Good Till Triggered/orders of similar type provided by member including its validity.
- Manner of handling of such orders in case of corporate actions (e.g. cancellation, price reset, retaining, etc. for the unexecuted orders).
- Provide timeline within which the member shall intimate their clients about details of upcoming corporate actions applicable for such unexecuted orders of clients, which shall not be later than one day prior to the ex-date of the corporate action.

Further, the said policy shall be made part of the Account Opening Form/Kit under heading "Policy on Handling of Good Till Cancelled Orders of Client" of Policy and Procedures document and the member shall also make available the said policy to their clients by displaying the same on their website/trading application, if any.

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The members are also requested to note that the said policy shall be informed to the existing clients via email or any other suitable mechanism which can be preserved. In case if communication gets bounced/undelivered, the same shall be communicated through alternate channels to such clients. Other suitable mechanism may include physical delivery/SMS/electronic instant messaging services after adhering with the safeguards prescribed under Exchange Circular NSE/INSP/52604 dated June 10, 2022 on Issuance of Electronic Contract Notes (ECN) through SMS/electronic instant messaging services.

For and on behalf of
National Stock Exchange of India Limited

Naresh Sawana
Chief Manager

In case of any clarifications, Members may contact our below offices:

Regional Office	CONTACT NO.	E MAIL ID
Ahmedabad (ARO)	079-49008632	inspectionahm@nse.co.in
Chennai (CRO)	044- 66309915/17	inspection_cro@nse.co.in
Delhi (DRO)	011-23459127 / 38 / 46	delhi_inspection@nse.co.in
Kolkata (KRO)	033-40400455 /459	inspection_kolkata@nse.co.in
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Central Help Desk	compliance_assistance@nse.co.in	

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Circular

DEPARTMENT: INSPECTION	
Download Ref No: NSE/INSP/63789	Date: September 06, 2024
Circular Ref. No: 58/2024	

To All Trading Members,

Sub: Implementation Timeline - Policy on Handling of Good Till Cancelled Orders offered by Members to Clients

This is further to Exchange circular NSE/INSP/62528 dated June 21, 2024 wherein members have been advised to formulate a policy on Handling of Good Till Cancelled Orders offered by Members to Clients and make said policy as part of the Account Opening Form/Kit along with displaying the same on website and communicating the same to existing clients.

In this regard, members are requested to note that with respect to new clients onboarded from December 01, 2024 onwards, the aforesaid policy shall required to be acknowledged i.e. duly signed by the client.

Further, members are also requested to note that the aforesaid policy shall be informed by members to their existing clients by December 01, 2024 via email or any other suitable mechanism which can be preserved. In case if communication gets bounced/undelivered, the same shall be communicated through alternate channels to such clients. Other suitable mechanism may include physical delivery/SMS/electronic instant messaging services after adhering with the safeguards prescribed under Exchange Circular NSE/INSP/52604 dated June 10, 2022 on Issuance of Electronic Contract Notes (ECN) through SMS/electronic instant messaging services.

Members are advised to take note of the contents of the circular and comply.

**For and on behalf of
National Stock Exchange of India Limited**

**Naresh Sawana
Chief Manager**

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Kolkata (KRO)	033-40400412 / 459	inspection_kolkata@nse.co.in
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