



Money Saved = Money Earned

With an objective to invite participation and benefit all participants across various segments of the Capital Market, MCX-SX has introduced a Liquidity Enhancement Scheme (LES) in its Equity and Equity Derivatives segments which will be effective from March 6, 2013.

Growth and Inclusion, the philosophy adopted by MCX-SX for wholesome development of India's Capital Markets, is engrained in the Scheme, which will benefit smallest of retail participants to largest of institutions and also jobbers, dealers and members. MCX-SX is the first national exchange to offer incentives for liquidity enhancement in Equity Cash Market.

Key highlights of this scheme are:

- **Incentives upto 68% of STT** (Securities Transaction Tax) paid for Equity Cash Market
- **Incentives upto 37% of STT** (Securities Transaction Tax) paid for stock futures
- **Waiver on transaction costs and additional incentive of 50% of transaction costs** on passive orders
- **Incentives for jobbers and additional advantage** to them as there are no Immediate or Cancelled Orders (IOC) on Algorithmic trades

Incentives for Retail Clients, Dealers and Proprietary Traders[#]:

- **Clients:** All retail investors/clients will be entitled to ₹100 per day
- **Dealers:** Top 10 registered dealers from each of 4 regions to receive monthly incentive of ₹1 lac, Top Performer to receive an additional ₹1 lac
- **Proprietary Traders and Arbitrageurs:** Top 5 members to be rewarded (monthly) ₹25 lac, ₹18 lac, ₹11 lac, ₹7.5 lac and ₹5 lac, respectively

[#]Note: These incentives are subject to minimum volumes and other conditions as specified in the circular.

Liquidity Enhancement Scheme

MCX-SX Liquidity Enhancement Scheme in Equity and Equity Derivatives segments

Types of Incentive Schemes	Cash		Options	Futures			
				No MM Scheme	MM Scheme		
				All Participants	MMs		OPs
	Active	Passive	Passive	Passive	Active	Passive	Passive
Quoting Incentive	NA	NA	NA	NA	Rs 5,000/Day/Security/MM		NA
Liquidity/ Trading Incentive	₹500/Cr (Member Turnover ≤ ₹200 Cr)	₹500/Cr (Member Turnover ≤ ₹200 Cr)	Sell: ₹1810/Cr Premium	Sell: ₹500/Cr	Sell: ₹1810/Cr*	Fixed Sell: ₹1810/Cr Buy: ₹110/Cr	Sell: ₹500/Cr Buy: ₹30/Cr
	₹750/Cr (Member Turnover > ₹200 Cr)	₹750/Cr (Member Turnover > ₹200 Cr)	Buy: ₹110/Cr Premium	Buy: ₹30/Cr	Buy: ₹110/Cr*	Variable Sell: ₹905/Cr Buy: ₹55/Cr	
Open Interest	NA	NA	NA	NA	₹500/Cr [#]	₹500/Cr [#]	₹500/Cr [#]
Transaction Fee Waiver	NA	Waived (~Value of ₹200/Cr)	Waived (~Value of ₹2500/Cr Premium)	Waived (~Value of ₹100/Cr)	Waived (~Value of ₹100/Cr)	Waived (~Value of ₹100/Cr)	Waived (~Value of ₹100/Cr)
Transactions Cost Sharing	NA	₹100/Cr	₹1250/Cr Premium	₹50/Cr	NA	₹50/Cr	NA

Special Incentive for Market Maker

Successful MM obligation by a Market Maker in 20 securities for more than 85% of the specified trading time on all days in a month	₹11 Lakh
Successful MM obligation by a Market Maker in 20 securities for more than 90% of the specified trading time on all days in a month	₹21 Lakh
Successful MM obligation by a Market Maker in 40 securities for more than 85% of the specified trading time on all days in a month	₹25 Lakh
Successful MM obligation by a Market Maker in 40 securities for more than 90% of the specified trading time on all days in a month	₹50 Lakh

Additional Incentives

Incentive for Clients		Incentive for Dealers		Incentive for Prop Business		
Eligibility	Reward	Eligibility	Reward	Eligibility	Reward (on Turnover)	
One Trade Every Day in Equity Cash or Stock Futures	₹100/Day/Clients [§]	Daily combined turnover (Equity Cash and Stock Futures) of ₹1.5 Crore for all trading days in a Month	One Lakh Per Month for Top 10 Dealers in all regions Additional One Lakh for Top Dealer in every region	Daily combined turnover (Equity Cash and Stock Futures) of ₹25 Crore for all trading days in a Month	Rank (by Turnover)	Reward/ Month
Monthly Turnover of ₹11 Lakhs in Equity Cash					First	₹25 Lakhs
Monthly Turnover of ₹1Crore in Stock Futures					Second	₹18 Lakhs
	Third	₹11 Lakhs				
	Fourth	₹7.5 Lakhs				
	Fifth	₹5 Lakhs				

^{*}Up to 10% of the Passive Volume

[#]Daily Incentive Cap of Rs 100,000. The value of the open interest will be determined at the settlement price at the end of the day.

[§]Monthly Cap of ₹50,00,000 at the exchange level

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