Department: CTCL   Segment: All

Circular No: MSE/CTCL/6557/2018   **Date: July 13, 2018**

Subject: Measures to strengthen Algorithmic Trading and Co-location /Proximity Hosting framework

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This is in continuation to our Circular no. MSE/CTCL/6219/2018 dated April 10, 2018 forwarding SEBI circular No. SEBI/HO/MRD/DP/CIR/P/2018/62 dated April 09, 2018 on "Measures to strengthen Algorithmic Trading and Co-location /Proximity Hosting framework".

Clause 16 of the SEBI circular states as follows:
Unique Identifier for Algorithms/ Tagging of Algorithms
"In order to ensure enhanced surveillance, stock exchanges shall now allot a unique identifier to each algorithm approved by them. Stock exchanges shall ensure that every algorithm order reaching on exchange platform is tagged with the unique identifier allotted to the respective algorithm and that such unique identifier tags are part of the data set sent / shared with SEBI for surveillance purpose."

To enable members to tag their algorithmic orders in compliance of the above SEBI circular, Strategy ID/s have been assigned to the algorithm (algo) strategy/ies approved by the Exchange. Members will be responsible to ensure that each algorithmic order is appropriately tagged with the correct 'Strategy Id' assigned to the algo.

Further, members are also informed that all the orders coming from co-located servers will be validated by the system The 13th digit of CTCL terminal would have additional values. You are requested to incorporate the necessary changes at your end for identification of 13th digit of CTCL terminal as per following:

> 0 - if order is not generated through program trading software,
> 1 - if order is generated through program trading software,
> 2 - if orders is generated through Smart Order Routing without program trading software,
> 3 - if orders is generated through Smart Order Routing with program trading software,
> 4 - If order is generated through program trading software at Colocation (COLO)
> 5 - if orders is generated through Smart Order Routing with program trading software at Colocation (COLO)

Accordingly, CTCL users are required to use CTCL software with the following FIX / Non FIX API version. As there are no changes in ECM and EDS FIX API 11.7 and Non FIX 11.10 pertaining to members and vendors, the previous versions are also updated in the following versions:

Currency Derivative Segment :

MSEI - Open Interface Specification for FIX Connect v11.28.
MSEI - Open Interface Specification for Non FIX Gateway 11.18.

Equity Derivative Segment :

MSEI-Equity-Derivatives-Open Interface Specification for FIX Connect v11.8.
MSEI-Equity-Derivatives-Open Interface Specification for Non FIX Gateway 11.11

<u>Equity Cash Market :</u>

MSEI-Equity-Spot Open Interface Specification for FIX Connect v11.8.
MSEI-Equity-Spot-Open Interface Specification for Non FIX Gateway v11.11.

The Exchange will Go Live with the aforesaid changes on July 30, 2018.

For clarifications on the circular, members may contact Sanju Padmanabhan on 022 – 61129016 or send an email at ctcl@msei.in. In case of general queries kindly contact Customer Service on 022-61129010 or send email to customerservice@msei.in

For and on behalf of
Metropolitan Stock Exchange of India Limited

Shalini Rebeiro
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