



Press Release

Joint Press Release for Licensing of Indian Indices and Market Data of the securities listed or traded in India

NSE, BSE and MSEI

Mumbai, February 9, 2018: Indian Exchanges (“Exchanges”), through a licensing arrangement, provide their Market Data at various levels (Real time, Delayed feed and End of the day feed) to Index Providers either directly or through their subsidiaries/group entities or through third party data vendors, for creating Indices. Such indices are licensed by the Index Providers to prospective licensees, including foreign stock and derivatives exchanges and other foreign trading platforms (“foreign exchanges and/ or trading platforms”) for enabling them to provide products for trading and settlement on such foreign exchanges and/ or foreign trading platforms. Additionally, it is possible that Exchanges could also create indices based on their Market Data which could then be licensed to such foreign exchanges and/ or trading platforms, for the purpose of trading and settlement of products based on such indices outside India. It is observed that for various reasons the volumes in derivative trading based on Indian securities including indices have reached large proportions in some of the foreign jurisdictions, resulting in migration of liquidity from India, which is not in the best interest of Indian markets.

In view of the above it has been decided that:

1. Exchanges or their subsidiaries/group entities or any other entity having licensing arrangement with Exchanges shall not license/provide Indian Indices and/or the data including the price of Indian securities to any foreign exchange and/ or trading platforms for trading or settling derivatives in any form in a foreign jurisdiction.
2. Exchanges, either directly or through their subsidiaries/group entities or through third party data vendors, shall not license/provide Market Data including prices of securities traded on the Exchange’s platform to –
 - a) any exchange or a trading or settling venue outside India, for trading or settling any products including derivatives.

- b) any Index Provider and / or its licensee, for creation of Indices or products based on such indices, which in part (weightage of 25% or more on Indian securities) or in full are based on prices of securities/indices listed in India or are benchmarked to Indian indices, which may be made available for trading or settling derivatives on any foreign exchanges and/ or trading platforms; and
 - c) any licensee, either directly or through its subsidiaries/group entities or through a third party data vendor in any form or manner for the purpose of trading or settling derivative products on any foreign exchange and/ or foreign trading platforms . Further, such licensee is also not permitted to use Market Data for issuance of overseas derivatives instruments and / or structured products on exchange traded derivative contracts on Indian securities traded on foreign exchanges and/ or trading platforms.
3. The conditions mentioned at Point (1) and (2)above, however, shall not be applicable for;
- (I) Products/indices traded on any exchange or trading venue in any International Financial Services Centre (IFSC) operating in India, subject to prior written permission of the licensor.
 - (II) Issuance of any Exchange Traded Funds / Exchange Traded Notes or similar products by any entity, subject to prior written permission of the licensor.
4. The existing licensing agreements for licensing indices / prices of Indian securities for trading derivatives on foreign exchanges and/ or trading platforms shall be terminated with immediate effect, subject to the notice period mentioned in the respective licensing agreements.
5. The other arrangements if any shall be grandfathered for a period of one month and the exchanges, Market participants, Index providers, data vendors, their subsidiary, group companies or any other relevant party shall ensure that arrangements are terminated or modified to comply with the contents of this press release.
6. End of Day & final settlement prices of securities shall be displayed on the exchange website and forwarded to media organizations, 2 hours after close of the market.

About National Stock Exchange of India Limited (NSE):

The National Stock Exchange (NSE) is the leading stock exchange in India and the fifth largest in the world by equity trading volume Year to Date (YTD), according to World Federation of Exchanges (WFE) data as on August 2017. NSE was the first exchange in India to implement electronic or screen-based trading. It began operations in 1994 and is ranked as the largest stock exchange in India in terms of total and average daily turnover for equity shares every year since 1995, based on SEBI data.

NSE has a fully-integrated business model comprising our exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings. NSE also oversees compliance by trading and clearing members with the rules and regulations of the exchange.

NSE is a pioneer in technology and ensures the reliability and performance of its systems through a culture of innovation and investment in technology. NSE believes that the scale and breadth of its products and services, sustained leadership positions across multiple asset classes in India and globally enable it to be highly reactive to market demands and changes and deliver innovation in both trading and non-trading businesses to provide high-quality data and services to market participants and clients.

For more information, please visit: www.nseindia.com

Disclaimer: National Stock Exchange of India Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an initial public offer of its equity shares and has filed a draft red herring prospectus dated December 28, 2016 (“DRHP”) with Securities and Exchange Board of India (“SEBI”). The DRHP is available on the website of SEBI as well as on website of the Managers, Citigroup Global Markets India Private Limited at <http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm>, JM Financial Institutional Securities Limited at www.jmfi.com, Kotak Mahindra Capital Company Limited at <http://www.investmentbank.kotak.com>, Morgan Stanley India Company Private Limited at <http://www.morganstanley.com/about-us/global-offices/india/>, HDFC Bank Limited at www.hdfcbank.com, ICICI Securities Limited at www.icicisecurities.com, IDFC Bank Limited at www.idfcbank.com and IIFL Holdings Limited at www.iiflcap.com. Potential investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see “Risk Factors” beginning on page 19 of the DRHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

For any clarifications please contact:

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About BSE

BSE (formerly Bombay Stock Exchange) established in 1875, is Asia's first & now the world's fastest Stock Exchange with a speed of 6 microseconds. BSE is India's leading exchange group and has played a prominent role in developing the Indian capital market. BSE is a corporatized and demutualised entity, with a broad shareholder base that includes the leading global exchange- Deutsche Bourse, as a strategic partner. BSE provides an efficient and transparent market for trading in equity, debt instruments, equity derivatives, currency derivatives, interest rate derivatives, mutual funds and stock lending and borrowing. BSE also has a dedicated platform for trading in equities of small and medium enterprises (SMEs) that has been highly successful. BSE provides a host of other services to capital market participants including risk management, clearing, settlement, market data services and education. It has a global reach with customers around the world and a nation-wide presence. BSE's systems and processes are designed to safeguard market integrity, drive the growth of the Indian capital market and stimulate innovation and competition across all market segments. Indian Clearing Corporation Limited, a wholly owned subsidiary of BSE, acts as the central counterparty to all trades executed on the BSE trading platform and provides full novation, guaranteeing the settlement of all bonafide trades executed. BSE Institute Ltd, another fully owned subsidiary of BSE runs one of the most respected capital market educational institutes in the country. Central Depository Services Ltd. (CDSL), associate company of BSE, is one of the two Depositories in India.

Media Contact

BSE

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About MSE: MSE is the youngest national level stock exchange in India with operations in Currency Derivatives, Equity Cash & Derivatives and Debt. It is working on a business revival strategy that's gaining traction. Its shareholders include India's top public and private sector banks and domestic financial institutions, who together hold 34%+, besides eminent shareholders like Rakesh Jhunjhunwala, Radhakishan Damani and Nemish S. Shah. MSE has an eminent Board of Directors and a professional management steering it. In line with global best practices and regulatory requirements, clearing & settlement of trade on the exchange are through its subsidiary (it has a 93% stake) Metropolitan Clearing Corporation of India Ltd. (MCCIL), which is an accredited Qualified Central Counterparty.

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