1.0 **APPLICATION OF THESE RULES**

1.1 All listed securities shall be traded in accordance with these rules.

1.2 The BSE shall ensure that:

(a) all dealers are treated equally on the trading floor.; and

(b) the information dissemination by the BSE is made available simultaneously to all members.

2.0 **PERSONS PERMITTED TO TRADE**

2.1 The Exchange does not recognise in its dealings, any other parties other than its own members. Only authorised dealers are permitted to trade. Dealers who have not paid their annual fees will not be permitted to trade. The fees are payable in January of each year.

2.2 Special Members of the BSE are only allowed to trade in fixed income securities.

2.3 Each member shall have a unique trading code.

3.0 **CODE OF CONDUCT FOR MEMBERS AND THEIR AUTHORISED DEALERS.**

3.1 When conducting its business on the BSE, members and their authorised dealers shall at all times observe high standards of integrity and fair dealing, and in particular shall:

(a) act with due skill, act and diligence;

(b) avoid any conflict of interest with its clients;

(c) execute orders promptly;

(d) not do anything that will adversely affect the reputation or public image of the BSE;

(e) report any trading disputes between them and the other members of the BSE to the BSE promptly;
3.2 Members shall ensure that their dealers comply at all times with the BSE Trading Rules and any other directive from time to time made in respect of the operations of the BSE.

3.3 The CEO of the BSE has the discretion to deny access to persons who are in breach of the Trading Rules.

3.4 All persons on the trading floor shall be well groomed.

3.5 The use of mobiles on the trading floor will only be allowed to an extent that it does not interrupt the trading process. Trading will not be stopped to accommodate trade confirmation by telephone.

4.0 DISPUTES

4.1 Disputes between members’ orders, whether arising from breach of these rules or otherwise, shall be reported immediately to the Trading Administrator. The Administrator must report the issue immediately to the Listings and Trading Manager.

4.2 The Listings and Trading Manager shall be responsible for interpreting the Trading Rules and settling all disputes on the Trading Floor.

4.3 Any Person aggrieved by any decision of the Listings and Trading Manager may appeal to the CEO. If the aggrieved party is not satisfied with the decision of the CEO, s(he) may appeal to the Listings and Trading Sub-Committee.

5. VIOLATIONS

5.1 The Listings and Trading Manager may, in consultation with the CEO, refer the cases of violations of these rules to the Disciplinary Committee of the BSE.

5.2 Any member or his authorised dealers, who, in any circumstances, either directly or indirectly commits a breach of any of the provisions of these rules shall be liable of any or more of the following penalties;

(a) reprimand

(b) fine as prescribed in the BSE Members Rules;
(b) suspension;

(c) termination of membership and recommending withdrawal of licence to NBFIRA

5.3 Violations of these rules shall be recorded in the Complaint Register maintained by the BSE.

6.0 TRADING TIMES

6.1 Trading shall take place at the BSE premises or any other place designated by the BSE, on Monday to Friday, excluding holidays. Trading shall be conducted in sessions commencing at 0930hrs or other such time determined by the CEO in consultation with the members.

6.2 Where possible, the BSE will issue a press announcement regarding the same at least 2 days before the day the trading time will be varied.

6.3 Trading time shall be determined by the clock in the BSE trading room.

7.0 TRADING OUTSIDE THE EXCHANGE

7.1 Trading on BSE listed securities outside the trading floor is prohibited.

8.0 MINIMUM BOARD LOT

8.1 The minimum board lot shall be 100 shares.

9.0 BAN ON FICTITIOUS TRANSACTIONS

9.1 No fictitious transaction\(^1\) or contracts shall be made on the Exchange floor. Each member shall transact his business openly and fairly and in accordance with the Trading Rules.

10.0 PRIORITY ON CLIENT ORDERS

10.1 Clients’ orders shall have priority over the members’ orders executed on the trading floor.

---

\(^1\) Trades that are made for purposes of manipulating the market and are not aimed at bringing about a trade.
11.0 Bear Sale

11.1 No member shall execute a bear sale (short sale) without obtaining cash cover as he may determine which shall not be less than the value of the securities sold and notification in writing from the client that the sale is a bear sale. The BSE members are required to submit proof of receipt of the cash cover before executing the bear sale.

11.2 No member shall be obliged to transact a bear sale on behalf of a client. In all cases where it is intended to enter into a bear sale, the member concerned will inform the market and the Trade Administrator. The advice note confirming the bargain shall be endorsed accordingly.

11.3 No member shall, on his own behalf or on behalf of any other person, effect a bear sale at a price:

(a) below the sale price of a listed security last recorded by the Exchange;

(b) equalling the cash sales’ price of a listed security last recorded by the Exchange, unless that cash sales’ price exceeds the most recent different cash sales’ price of the listed security recorded by the Exchange.

11.4 If a client sells securities without disclosing that the sale is a bear sale and is unable to effect delivery, a member will be required to buy in the shares. In addition, the member shall inform the BSE of the client name and details of the transaction.

12.0 Special Bargain

12.1 Transactions in special bargains may be put through at such price as is agreed to by both the purchasing and the selling client.

12.2 A special bargain is a transaction in securities which is beyond the capacity of the market at the prevailing price. In order to establish if a special bargain is beyond the capacity of the market at the prevailing price, the following procedure is carried out in the trading room:

(a) On security in question being called, the buying and the selling brokers who wish to conclude the bargain, or the dealer who wishes to book-
over the bargain, shall declare details of the transaction (volume and price).

(b) Only if the market as a whole agrees that the transaction falls within the definition of “special Bargain” and that the price is reasonable, shall the transaction go through.

(c) No splitting of the volume of the special bargain will be allowed.

(d) In the event of the market being able to bid a higher price or offer at a lower price, for the same quantity of shares involved in a special bargain, the proposed transaction shall not go through.

12.3 Details of special bargain shall be marked and reported to the Listings and Trading Manager of the Exchange by the broker(s) concerned.

13.0 BOOK-OVER PROCEDURE

13.1 A member having orders to buy and to sell the same security may book-over the bargain provided that;

(a) S(he) shall first test the market by making a double price which in the prevailing market conditions is fair and equitable to both the buyer and the seller.

(b) Other brokers are satisfied that the price is fair and equitable;

13.2 If any member bids to purchase at a higher price, or offer to sell the security at a price lower than the proposed book-over, the book-over shall be concluded only in respect of the securities not bought or sold.

13.3 Other dealers are entitled to 10% book-over volume at the book-over price.

14.0 TRADING PROCEDURE

14.1 Trading shall be administered by the BSE Trade Administrator. The Trade administrator shall record the trades as they occur and shall not in any way influence the decision of the dealers.

14.2 The Trade administrator shall ring the bell at the beginning of the trading session to mark commencement of the trading session.

14.3 Dealers shall call out their orders loudly for recording. The highest bid price will be recorded. The lowest offer price will be recorded.
14.4 After calling out all the counters, the Administrator will ring the bell to indicate the closing of the trading session.

14.5 The dealers will check all the trades before the Dealing slip is printed for their signatures. Once the deal slip is signed by the dealers, the information will be taken as a correct record for the days trading activities. The trading records maintained by the BSE are admissible evidence of transaction taken place on the trading floor.

14.6 Any adjustment to the trading records can only be made after the dispute has been reported and decision made by the Exchange. Any such decision shall be final and conclusive and binding on the parties involved. Cancellation of transactions can only be done with the approval of the CEO.

14.7 The Daily Market Report, reflecting the daily trading activities for the day will be disseminated every day after trading. Where there is a delay in sending the report, a message to that effect shall be sent to the market giving reasons for the delay.

15.0 **TRADING STATUS OF THE SECURITY**

15.1 The following status shall be indicated against individual securities in accordance with the information provided by the issuer.

<table>
<thead>
<tr>
<th>Information</th>
<th>Note on the Board</th>
<th>Trading</th>
<th>Symbol on the daily market report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading of the security has been halted till further notice</td>
<td>Halted</td>
<td></td>
<td>H</td>
</tr>
<tr>
<td>The security has been suspended from trading</td>
<td>Suspended</td>
<td></td>
<td>S</td>
</tr>
<tr>
<td>The security is trading cum dividends</td>
<td>Cum Div</td>
<td></td>
<td>CD</td>
</tr>
<tr>
<td>The security is trading cum bonus</td>
<td>Cum Bonus</td>
<td></td>
<td>CB</td>
</tr>
<tr>
<td>The security is trading ex dividend. The status shall remain until the dividend is paid</td>
<td>Ex Div</td>
<td></td>
<td>XD</td>
</tr>
<tr>
<td>The security is trading ex bonus. The status shall remain until the securities</td>
<td>Ex Bonus</td>
<td></td>
<td>XB</td>
</tr>
</tbody>
</table>
are issued and listed

<table>
<thead>
<tr>
<th>Description</th>
<th>Symbol</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>The security is trading cum right.</td>
<td>Cum Rights</td>
<td>CR</td>
</tr>
<tr>
<td>The security is trading ex right. The status shall remain until the rights are issued and available for trading</td>
<td>Ex Rights</td>
<td>XR</td>
</tr>
<tr>
<td>Qualified Auditors Opinion</td>
<td>Qualified</td>
<td>Q</td>
</tr>
<tr>
<td>The issuer has not published its financial information</td>
<td>Re</td>
<td>RE</td>
</tr>
<tr>
<td>The security is trading under cautionary</td>
<td>Cautionary</td>
<td>CA</td>
</tr>
<tr>
<td>Security has released some news</td>
<td>News</td>
<td>NW</td>
</tr>
</tbody>
</table>

16.0 **TRADING HALTS**

16.1 The CEO may call a temporary trading halt if he deems that a disorderly market has developed.

16.2 A market halt can occur during a trading session where, in the opinion of the CEO, circumstances exist, or are about to occur that could result in something other than the transparent, fair and orderly trading of listed securities.

16.3 Any such halts shall be communicated to the Listings and Trading Sub Committee to note as soon as practical.

16.4 The BSE shall make a press announcement of a market halt that extends beyond one trading session.

17.0 **SECURITY HALTS**

17.1 The Exchange may temporarily halt trading in one or more securities in the following circumstances;
(a) Upon request of the issuer where the BSE agrees that the security halt will benefit the whole market;

(b) By the Exchange;

(i) where there is an unusual market movement of the price/volume of the security.

(ii) where the issuer had not made public any price sensitive information, which, has leaked to the market. The halt will be lifted upon the issuer making an announcement on the information in question;

(iii) where in the opinion of the CEO, circumstances exist or are about to occur that could result in something other than the transparent, fair and orderly trading of the specific securities.

17.2 The Exchange shall inform the issuer of any halt in the trading of its securities within 30 minutes after the halt has been imposed.

17.3 The maximum allowable period for a trading and security halt shall not exceed 3 trading days.