

## NOTICES

<b>Notice No.</b>	20250922-19	<b>Notice Date</b>	22 Sep 2025
<b>Category</b>	Trading	<b>Segment</b>	General
<b>Subject</b>	'Safer participation of Retail investors in Algorithmic trading – Detailed Operational Modalities' – UPDATE		
<b>Attachments</b>	<a href="#">Annexures_Revised.zip</a>		

### Content

This is with reference to SEBI circular SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/0000013 dated February 04, 2025 on 'Safer participation of retail investors in Algorithmic trading', Exchange circulars 20250506-3 dated May 06, 2025 'Implementation standards for safer participation of retail investors in Algorithmic trading', 20250723-41 dated July 23, 2025 'Safer participation of Retail investors in Algorithmic trading – Standard Operating Procedure' and 20250829-12 dated August 29, 2025 'Safer participation of Retail investors in Algorithmic trading – Detailed Operational Modalities – Update'.

Market Participants are requested to note that the following sections of the Exchange circular no. 20250723-41 dated July 23, 2025 stand revised as mentioned in the below table (**modifications highlighted in bold italic**).

Annexure No.	Para/Point No.	Para Synopsis	Enhancement/Revision to the Para
Annexure 1  Undertaking for empanelment of Algo Provider	8	Product design compatibility with BSE trading system.	I/We undertake that the Product design shall be compatible with BSE LTD trading system in order to use only the specified messages given by BSE LTD and shall consider all the structures defined by BSE LTD from time to time. I/We shall ensure that the Product shall be compatible with basic functionalities as required by BSE LTD and to any changes thereof. Further, I/We shall ensure that any customization requirement of the Trading Members shall be in line with BSE LTD requirements. <b><i>It is further clarified that Algo Providers do not interface with BSE LTD trading system directly, but only through the APIs made available by Trading Members. Accordingly, the Algo Provider's compliance with BSE LTD requirements shall be limited to the functionality and controls permitted by such Trading Member APIs.</i></b>
Annexure 1  Undertaking for empanelment of Algo Provider	9	Product developed to be similar to specifications of Exchange system Distinctly identifiable	I/We undertake that the Product developed by me / us shall be at all times similar to that of the specifications of Exchange provided trading system i.e. BoltPro or any other Exchange provided software including any upgrades stipulated by BSE LTD, from time to time. However, I/ we shall ensure that such Product developed by us shall be distinctly identifiable from Exchange provided trading system

		from Exchange system or any other Exchange provided software.	i.e. BoltPro or any other Exchange provided software. <b><i>It is further clarified that Algo Providers do not develop products by directly interfacing with Exchange provided trading system i.e. BoltPro or any Exchange-provided software. Such products operate solely through the APIs made available by Trading Members, and their functionality is limited to what is permitted by such APIs. Accordingly, the Algo Provider shall regularly seek guidance from the Trading Member to align its product with the specifications of Exchange provided trading system i.e. BoltPro or any other Exchange provided software.</i></b>
Annexure 1  Undertaking for empanelment of Algo Provider	13	Verification during inspection	(i) Number of users connected to the network including privileges to each user. (ii) All the systems logs and audit trails of the dealer and the Trading Member. (iii) Provision for entering complementary dummy orders.
Annexure 1  Undertaking for empanelment of Algo Provider	41	For any obligation cast unto BSE by any court of competent jurisdiction to pay or deposit any interim amount. Algo Provider to pay such interim amount to BSE.	41. If any obligation is cast unto BSE LTD by any court of competent jurisdiction to pay or deposit any interim amount pending final disposal of any matter pertaining to the above mentioned adverse actions, claims or demands, I/ We shall promptly (without any delay or demur) pay such interim amount to BSE LTD, provided it does not exceed the average annual revenue generated <b><i>through Algo business</i></b> by us in the last three (3) completed and audited financial years from the suite of products registered by BSE LTD. In the event of any higher amount being ordered to be paid or deposited, then the same would be mutually discussed and appropriate amount agreed upon for payment to BSE LTD.
Annexure 2  Criteria for empanelment of Algo Provider	6	Removed;  CMM certification, SOC1 Type 1, Type 2 and SOC2 Type1,	6. Criteria related to ISO certification (New) - 27001:2022, (SEBI circular SEBI/HO/ ITD-1/ITD_CSC_EXT/P/CIR/2024/113 dated 20 August 2024). <b><i>However, the empanelment will be a provisional empanelment subject to completion of the ISO certification within 3 months from the date of empanelment with the Exchange.</i></b>

		Type2 Added criteria on provisional empanelment	
Annexure 2  Criteria for empanelment of Algo Provider	13	Declaration of any cyber / adverse technical incident	Declaration of any cyber / adverse technical incident for the previous 3 years, ( <b>half yearly</b> ) VAPT reports covering assessment of the Application, APIs, Infrastructure along with Closure report (ATR) from CERT-In empanelled auditor (SEBI circular SEBI/HO/ ITD-1/ITD_CSC_EXT/P/CIR/2024/113 dated 20 August 2024)”
Annexure 3  Application for empanelment as Algo Provider	3	IT Business changed to Fintech Business.	No. of years in the <b>Fintech Business</b> <b>Fintech Business</b> Turnover for last three years
Annexure 4  Auditors Certificate		Auditors Certificate Para stands deleted from the declaration	Below para has been deleted.  I hereby confirm, Algo Provider has complied with the requirement of Exchange Notice 20221003-60 dated October 03, 2022, and other circulars issued from time to time on Display of Brokerage, Statutory & Regulatory Levies to the investors to prominently display the details of brokerage/charges to be levied for each order to the investor on the “Order placement window/screen” on their trading applications prior to placement of order.

The following revised Annexures are enclosed for reference.

- a) Annexure 1
- b) Annexure 2
- c) Annexure 3
- d) Annexure 4

Market Participants are requested to take note of the changes and comply.

For further information and clarification, participants may contact the Exchange as follows:

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