

## **BACKGROUND**

Exchanges vide its circular NSE/INSP/62528 dated June 21, 2024 and 20240622-2 dated June 22, 2024. Pertaining to 'Policy on Handling of Good Till Cancelled Orders offered by Members to Clients' mandated trading members to formulate a policy in case they offer "Good Till Cancelled" / "Good Till Triggered" orders or orders of similar type.

## **SCOPE:**

The Exchanges have stated that the policy shall include –

- Details of Good Till Cancelled/Good Till Triggered/orders of similar type provided by member including its validity.
- Manner of handling of such orders in case of corporate actions (e.g. cancellation, price reset, retaining, etc. for the unexecuted orders).
- Provide timeline within which the member shall intimate their clients about details of upcoming corporate actions applicable for such unexecuted orders of clients, which shall not be later than one day prior to the ex-date of the corporate action.

### **Details of Good Till Cancelled/Good Till Triggered/orders –**

- a. The GTD feature is available to all users who have a valid and active trading account for Equity and Derivative segment. Users must comply with the terms and conditions set forth by the trading platform and the regulatory authorities governing equities and derivatives trading. All securities in BSE & NSE except securities in debt segment, NCD, Bonds and illiquid securities are eligible for the placing GTD order
  - i. Clients can also place GTD Buy and Sell (sell- Open position only) order under E-Margin Product.
  - ii. Stop loss orders can also be placed with GTD validity.
  - iii. Clients can modify the quantity or limit price of a GTD orders. Clients can modify the order only when the order is in 'Ordered status' (during market hours) or 'Requested status' (after market hours). "GTD Blocked" orders cannot be modified but can only be cancelled.
  - iv. Orders with GTD validity can be placed both during the market hours as well as post market hours.
- b. **Order Validity**

The GTD order will remain and be carried forward in the system over a period of time until:

  - The order is fully executed; or
  - The order is withdrawn or cancelled; or
  - The order is automatically and permanently cancelled as provided in clauses below; or
  - The expiry of the order or the validity period of 180 days, whichever is earlier.
- c. **Order Expiry and Validity**
  - The GTD order expiry date is mandatory and must be submitted with the order entry.
  - The number of valid days for the GTD order depends on expiry date or on execution / cancellation / system rejection / margin or price changes and other operational or market risks.

The maximum validity period of an order is:

  - 180 days from the date of placing the order; or
  - Expiry date of an order; whichever is earlier

**d. Automatic Cancellation of Orders**

The GTDs order will be cancelled automatically and permanently when any of the following events occur:

- a) The order value of the GTD order exceeds the available trading limit when the order is released to the Exchange.
  - b) Trading limit or balance is insufficient for the GTD order at the point of release to the Exchange.
  - c) The specific counter in relation to the GTD order is suspended from trading or due to the impact of corporate action.
  - d) The price of the GTD order is outside the range of price limit.
  - e) At the end of the last business day upon the expiry date.
- e. GTDt is a order facility through which a client can place buy and sell limit orders in shares, index futures & index options specifying the period for which the order instruction is valid. The period selected by the client shall be within the maximum validity date defined by KSSB. Since client has the right to define validity date (“order validity date”), this order type is called as Good Till Date (GTDt) order.
- f. All existing and new clients of KSSB who are eligible to trade in Equity Cash product & Derivatives can avail GTDt facility for order placement.
- g. The facility of placing a GTDt order is available in Equity Cash product, Index futures, Index Options and E-Margin (MTF) product only. It is not available for other products like Margin, Spot, etc. As and when, GTDt orders are introduced in new segments the same shall be displayed through the KSSB website and subsequently updated in the policy.
- h. GTDt orders can only be placed by specifying a limit price. GTDt orders cannot be placed at market price.
- i. If a GTDt order is not executed for the entire quantity, KSSB is authorised to place fresh orders for the unexecuted quantity for the client on the subsequent trading days till the entire quantity is executed or till the validity expires, whichever is earlier. This feature permits the client to specify the number of days during which the client intends to place the orders.
- j. Client shall ensure that necessary funds/margins are available to place GTDt orders in their account for the unexecuted quantity of the order.
- k. In case the GTDt order validity date falls on a non-trading day, the order is expired by KSSB on the last trading day which falls prior to such order valid date which is a non-trading day. Post the expiry, the status of GTDt order is updated as Expired (Closed).
- l. Once a client has placed a GTDt order, KSSB will place orders for the unexecuted quantity of the GTDt order for all the days during the validity period or till the quantity is fully executed or cancelled or rejected due to any reason. Client may login only to check the status of such orders.
- m. For the unexecuted quantity orders shall be placed daily as overnight orders during the validity period, i.e. until the order validity date is less than or equal to the next trade date provided such GTDt order remains unexecuted and is not cancelled, nor rejected due to any reason. The orders would be placed on these dates provided they are trading days.

## **1. Client Responsibilities**

The GTDs order will not be checked and rejected by the system for any Corporate Actions (e.g., Capital Reduction, Capital Restructuring, Right Issue, Bonus, and Split etc.) announced during the validity period of the GTDs order. It is the duty and responsibility of the Client to monitor Corporate Actions for their GTDt order and cancel or amend the order if required, as Corporate Actions normally involve change of price and/or quantity on ex-date. KSSB shall not be liable or held responsible for any failure to provide such notifications or any consequences arising there from.

Users are responsible for ensuring the accuracy and completeness of the order details, including the GTDt expiration date. The GTDs order requires cash/ (Limit) up front, and the Client must ensure that there is sufficient cash (Limit).

## **2. Handling of GTDt orders in case of corporate actions :**

Post Corporate Action, GTDt orders will be validated against DPR (Daily Price Range) sent by the exchange. Before revalidating the order for next trading day (post corporate action), system will check for circuit limits and daily price range and would validate orders only within the circuit limit and daily price ranges.

The orders which would get failed in circuit check and daily price range for next day pumping would be kept in system in “GTDt Blocked” status for retry on subsequent trading day.

## **POLICY COMMUNICATION**

The said policy shall be made part of the Account Opening Form/Kit under heading “Policy on Handling of Good Till Cancelled Orders of Client” of Policy and Procedures document and shall also be displayed on the website.

## **POLICY REVIEW**

The said policy shall be reviewed on an annual basis or when you are require.