

Testing of software used in or related to Trading and Risk Management

In terms of the provisions of Rules, Bye-Laws and Regulations of the MCX Stock Exchange Limited ('Exchange') and in partial modification of Exchange circular No. MCX-SX/CTCL/1787/2014 dated February 25, 2014 regarding 'Testing of software used in or related to Trading and Risk Management', Members of the Exchange are notified as under:

1. With respect to testing of software related to (a) fixes to bugs in the software, (b) changes undertaken to the stock brokers' software / systems pursuant to a change to any stock exchange's trading system, and (c) software purchased from a software vendor that has already been tested in the mock environment by certain number of stock brokers, the requirement of participation in Mock trading session shall be mandatory for all categories of members. Pre-approval systems audit shall also be mandatory for all categories of members. The members shall ensure the Pre-approval System Audit compliance as specified below:

Type of Software	System Audit (New approval)	System Audit (Modified Software)
CTCL	Annexure III & Annexure IV (Circular No. 1787)	Annexure IV (Circular No. 1787)
IBT	Annexure III & Annexure IV (Circular No. 1787)	Annexure IV (Circular No. 1787)
Algo	Annexure III & Annexure IV (Circular No. 1787)	Annexure IV (Circular No. 1787)
Wireless Trading	Annexure III & Annexure IV (Circular No. 1787)	Annexure IV (Circular No. 1787)
DMA	Annexure III & Annexure IV (Circular No. 1787)	Annexure IV (Circular No. 1787)
SOR	Annexure III & Annexure IV (Circular No. 1787)	Annexure IV (Circular No. 1787)

2. It is clarified that dispensation of participation in mock testing and pre-approval system audit shall be applicable in cases of changes / updates to stock broker's trading software that intend to modify the 'look and feel' and do not affect the risk management system of the stock broker or the connectivity of the trading software with stock exchange's trading system.
3. It may also be noted that for any testing of software in Mock trading session prior to approval, Exchange requires the participation by member in the Mock trading session which is mandatory for Algo User Ids participation.

----- Corporate Office -----

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**MCX Stock Exchange Limited
CTCL Department**

4. All other requirement/guidelines mentioned in the Exchange Circular No. MCX-SX/CTCL/1787/2014 dated February 25, 2014 shall remain unchanged.
5. Members are requested to take note of the above and ensure compliance.

For any clarifications kindly contact Customer Service on 022 - 67319010 / 66494030 or send an email to customerservice@mcx-sx.com.

**For and on behalf of
MCX Stock Exchange Limited**

**Mukesh Desai
Senior Manager**