

**Annexure 2 – Details of Quote Based Incentives to Market Makers
Terms & Conditions**

Quoting Obligation

QUOTING OBLIGATIONS	DETAILS
Daily quoting Obligation in all sessions (Current Month)	Maintain 2-way continuous quote presence in the current month futures contract at the specified spread size at all 3 levels. Presence level for at least 75% & 90% time for various time slots during the business day as specified in tables 1 to 4 (Quoting Obligation) shall be eligible for MM incentive in that product. Non-fulfilment of this condition would lead to non-payment of incentive for the specific session.
Quoting obligation during Roll Period (E-2, E-1 & E day, where E is Expiry Day)	During the roll period, MMs shall be required to maintain quote presence in both current month and near month futures contracts at the specified spread size at all 3 levels. Presence level for at least 75% & 90% time for various time slots during the business day as specified in tables 1 to 4 (Quoting Obligation) shall be eligible for MM incentive in that product. Non-fulfilment of this condition would lead to non-payment of incentive for the specific session.

Table 1: Quoting Obligation - Presence Requirement (S&P BSE SENSEX 50)

PRESENCE REQUIREMENTS FOR CURRENT MONTH FUTURES CONTRACTS			
TIME SLOT	START TIME (IST)	END TIME (IST)	MINIMUM PRESENCE
1	04:30	09:15	75%
2	09:15	09:30	Compulsorily Quote
3	09:30	15:15	90%
4	15:15	15:30	Compulsorily Quote
5	15:30	17:00	75%
6	17:00	23:30	75%
7	23:30	02:30	75%

Table 2: Quoting Obligation - Spread Requirement (S&P BSE SENSEX 50)

SPREAD SIZE QUOTING REQUIREMENTS FOR CURRENT MONTH FUTURES CONTRACTS					
LEVEL*	MINIMUM BID QTY SIZE	BID PRICE	ASK PRICE	MINIMUM ASK QTY SIZE	MAXIMM SPREAD
1	5	10000.00	10001.00	5	1.00
2	5	9999.50	10001.50	5	2.00
3	5	9999.00	10002.00	5	3.00

* All 3 levels quotes are required to be eligible for MM incentive

Table 3: Quoting Obligation - Presence Requirement (Gold Futures)

PRESENCE REQUIREMENTS FOR CURRENT MONTH FUTURES CONTRACTS					
TIME SLOT	START TIME (IST)	END TIME (IST)	MINIMUM PRESENCE	INCENTIVE %	INCENTIVE PER DAY (IN USD)
1	04:30	09:30	75%	20%	80
2	09:30	23:30	90%	70%	280
3	23:30	02:30	75%	10%	40

Table 4: Quoting Obligation – Spread Requirement (Gold Futures)

SPREAD SIZE QUOTING REQUIREMENTS FOR CURRENT MONTH FUTURES CONTRACTS					
LEVEL*	MINIMUM BID QTY SIZE	BID PRICE	ASK PRICE	MINIMUM ASK QTY SIZE	MAXIMUM SPREAD
1	3	1301.2	1301.4	3	0.2
2	3	1301.0	1301.6	3	0.6
3	3	1300.8	1301.8	3	1

* All 3 levels quotes are required to be eligible for MM incentive

Note: The quoting incentive will be paid proportionately from a daily pool of USD 400/- each for S&P BSE Sensex 50 and Gold Futures for all MMs. Additional quoting incentive of USD 400 each for S&P BSE Sensex 50 and Gold Futures during roll period (E-2, E-1 & E day, where E is Expiry Day). Thus based on 22 trading days in a month and 3 day roll period, the maximum average monthly funds allocated for S&P BSE SENSEX 50 is USD 10,000. Similarly due to bi-monthly expiry of Gold Futures, the maximum average monthly funds allocated is USD 9,400.