

(On the Vendor's Letterhead)

AUTOMATED TRADING SOFTWARE VENDOR STRATEGY APPROVAL FORM
(to be provided at the time of seeking appointment for the demo)

To:

Ace Derivatives and Commodity Exchange Limited

4th Floor, Infinity IT Park, Building No 4,

Gen. A K Vaidya Marg,

Malad East,

Mumbai 400 097

Fax No.: 022-66709290

Date: _____

Dear Sir,

Sub: Approval for Strategy (Strategy Name) with Version Number: (Version)

I/We _____ (Name of the vendor) do hereby confirm that the Automated Trading Product provided by us complies with the following provisions:

S No.	Requirement	Whether complied (Yes / No)
1	<p>The software provides for routing of orders through electronic / automated risk management systems of the broker to carry out appropriate validations of all risk parameters before released to the Exchange trading system including</p> <p>Individual Order Level:</p> <ul style="list-style-type: none">• Quantity Limits check• Price Range checks• Trade price protection checks• Order value checks• Market Order Check• IOC Order Check <p>Client Level:</p> <ul style="list-style-type: none">• Net position v/s available margins• Position limit checks• Trading limit checks• Exposure limit checks at individual client level and at overall level for all clients	YES / NO

2	The system has Provision for generating and maintaining complete Audit Trail.	YES / NO
3	Automated Execution check – The system releases further order(s) only after accounting for all executed, unexecuted and unconfirmed orders placed earlier.	YES / NO
4	The orders generated by Algorithmic trading products are identified as 'Algorithm orders' while releasing to the Exchange	YES / NO
5	All orders generated by Algorithmic trading products are offered to the market for matching and no cross trades are generated	YES / NO
6	The system has sufficient security features including password protection for the user ID, automatic expiry of passwords as the end of a reasonable duration and reinitialisation of access on entering fresh passwords	YES / NO
7	The system maintains logs of all trading activities including record of control parameters, orders, trades and data points emanating from trades executed through algorithm trading to facilitate audit trail	YES / NO
8	The system adheres to the guidelines as specified by FMC / Exchange to identify dysfunctional algos for orderly trading and market integrity	YES / NO

The detailed strategy documentation is enclosed:

Date: _____

Place: _____

**Stamp & Signature of the authorized representative
of the Automated Trading Product Vendor**