



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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FMRD.MIOD.No.02/14.03.027/2025-26

June 16, 2025

To

All operators of Electronic Trading Platforms

Madam/Sir,

Master Direction – Reserve Bank of India (Electronic Trading Platforms)

Directions, 2025

Please refer to Paragraph 1 of the [Statement on Developmental and Regulatory Policies](#) announced as a part of the [Bi-monthly Monetary Policy Statement for 2023-24 dated February 08, 2024](#), on review of the regulatory framework for Electronic Trading Platforms set out in the [Electronic Trading Platforms \(Reserve Bank\) Directions, 2018 dated October 05, 2018](#).

2. The [draft Master Direction - Reserve Bank of India \(Electronic Trading Platforms\) Directions, 2024](#), was placed on the Bank's website on April 29, 2024, to invite comments/feedback from all stake holders. Based on the feedback received, the draft Directions have since been finalized and issued [herewith](#).

3. These Directions have been issued by the Reserve Bank in exercise of the powers conferred under section 45W of the Reserve Bank of India Act, 1934, and of all the powers enabling it in this behalf.

4. These Directions shall be applicable with immediate effect.

Yours faithfully

(Dimple Bhandia)
Chief General Manager



RESERVE BANK OF INDIA
FINANCIAL MARKETS REGULATION DEPARTMENT
9th FLOOR, CENTRAL OFFICE BUILDING, FORT
MUMBAI 400 001

Notification No. FMRD.MIOD.03/14.03.027/2025-26 dated June 16, 2025

Master Direction – Reserve Bank of India (Electronic Trading Platforms)

Directions, 2025

In exercise of the powers conferred under section 45W of the Reserve Bank of India Act, 1934, (hereinafter called the Act) read with section 45U of the Act and of all the powers enabling it in this behalf and in supersession of the [Electronic Trading Platforms \(Reserve Bank\) Directions, 2018 dated October 05, 2018](#), the Reserve Bank of India (hereinafter called the Reserve Bank), hereby issues the following Directions to all entities operating Electronic Trading Platforms.

1. Short title, scope and commencement of the directions

- a) These Directions shall be called the Master Direction – Reserve Bank of India (Electronic Trading Platforms) Directions, 2025.
- b) These Directions are issued to the entities operating Electronic Trading Platforms (ETPs) on which transactions in eligible instruments, as defined under these Directions, are contracted.
- c) These Directions shall not apply to an electronic system operated by a scheduled commercial bank (including a branch of a foreign bank operating in India) or a standalone primary dealer for transactions in eligible instruments wherein the bank or the standalone primary dealer operating the electronic system is the sole quote/price provider and a party to all transactions contracted on the system.

Provided that in respect of such electronic systems, all scheduled commercial banks and standalone primary dealers shall provide any report, data and/or information as required by the Reserve Bank and/or report transaction information to any trade repository or reporting platform in the format and within the timeframe prescribed, and in the mode and manner advised; and

Notwithstanding this general exemption, the Reserve Bank may, on being satisfied that it is necessary in public interest or to regulate the



financial system of the country to its advantage, advise any such electronic system or class of electronic systems to comply with any or all conditions in these Directions or to seek authorisation under these Directions.

- d) Any authorisation granted or any action taken under the [Electronic Trading Platforms \(Reserve Bank\) Directions, 2018](#) shall be deemed to have been taken under these Directions.
- e) These Directions shall come into force with immediate effect.

2. Definitions

- a) For the purpose of these Directions, unless the context otherwise requires,
 - (i) 'Algorithmic trading' or 'Algo trading' shall mean any trade originated by a software programme using automated execution logic.
 - (ii) 'Electronic Trading Platform' (ETP) shall mean any electronic system, other than a recognised stock exchange, on which transactions in eligible instruments as defined herein are contracted.
 - (iii) 'Eligible Instruments' shall mean securities, money market instruments, foreign exchange instruments, derivatives, or other instruments of like nature, as may be specified by the Reserve Bank from time to time under section 45W of Chapter III-D of the Reserve Bank of India Act, 1934.
 - (iv) In these Directions, unless the subject or the context otherwise requires, 'Entity' shall mean any person whether natural or legal.
 - (v) 'ETP Operator' shall mean an entity authorised by the Reserve Bank to operate an ETP under these Directions.
 - (vi) 'Key managerial personnel' shall have the same meaning as assigned to it in section 2(51) of the Companies Act, 2013.
 - (vii) 'Net worth' shall have the same meaning as assigned to it in section 2(57) of the Companies Act, 2013.
 - (viii) 'Non-resident' shall mean a 'person resident outside India' as defined in section 2(w) of Foreign Exchange Management Act, 1999.
 - (ix) 'Foreign exchange' shall have the same meaning as assigned to it in section 2(n) of the Foreign Exchange Management Act, 1999.
 - (x) 'Resident' shall mean a 'person resident in India' as defined in section 2(v) of the Foreign Exchange Management Act, 1999.



(xi) 'Recognised stock exchange' shall have the same meaning as assigned to it in section 2(f) of the Securities Contracts (Regulations) Act, 1956.

b) Words and expressions used, but not defined in these Directions, shall have the same meaning as assigned to them in the Act or under the Foreign Exchange Management Act, 1999.

3. Save as otherwise permitted in these Directions, no entity shall operate an ETP covered under the scope of these Directions without obtaining prior authorisation of the Reserve Bank. In respect of eligible instruments, ETP operators authorised by the Reserve Bank shall ensure that transactions only in instruments approved by the Reserve Bank at the time of authorisation or at any later point of time when conditions of authorisation are altered are contracted on their platform.

4. Eligibility Criteria for authorisation of ETPs

a) An entity seeking authorisation as an ETP operator to commence or carry on ETP operations shall fulfil the following criteria:

(i) **General Criteria**

- a. The entity shall be a company incorporated in India.
- b. Shareholding by non-residents, if any, in the entity seeking authorisation as an ETP operator shall conform to all applicable laws and regulations, including the Foreign Exchange Management Act, 1999.
- c. The entity seeking authorisation as an ETP operator or a minimum of two of its key managerial personnel shall have experience of at least three years in operating trading infrastructure in financial markets.

(ii) **Financial Criteria:** An entity seeking authorisation as an ETP operator under these Directions shall have a minimum net-worth of ₹5 crore (Rupees five crore only) and shall continue to maintain this minimum net-worth at all times.

(iii) **Technological Criteria:** The entity seeking authorisation as an ETP operator shall, at the minimum, fulfil the following technological requirements:

- a. Obtain and maintain robust technology infrastructure with a high degree of reliability, availability, scalability and security in respect of



its systems, data and network, appropriate to support its operations and manage the associated risks.

- b. Ensure capability to disseminate trade information on a real-time basis or near real-time basis.

5. Grant / cancellation of Authorisation to operate an ETP

- a) Entities satisfying the eligibility criteria prescribed under these Directions may submit an application, through the PRAVAAH portal of the Reserve Bank, in the format given in [Annex - 1](#) to the Chief General Manager, Financial Markets Regulation Department, Reserve Bank of India, for grant of authorisation to operate an ETP.
- b) The Reserve Bank may, *inter alia*, call for any additional information, including information related to any external grading/rating or any third-party assessment of the platform, or seek any clarification from the applicant which in the opinion of the Reserve Bank is relevant and the applicant shall furnish such additional information and clarification. The Reserve Bank may also obtain any additional information from other regulators or Government departments/agencies or any other authority, which in the opinion of the Reserve Bank is relevant for the disposal of the application.
- c) The Reserve Bank may grant an applicant the authorization to operate an ETP, after being satisfied that the applicant fulfils the eligibility criteria; there is no adverse finding/ observation or material violation of any statutory/regulatory provision by the applicant; and the grant of authorisation to the applicant is not prejudicial to public interest or the financial system of the country. The grant of authorisation may be subject to the terms and conditions that may be stipulated in the authorisation letter.
- d) The decision of the Reserve Bank, to grant or reject authorisation to operate an ETP or to cancel the authorisation to commence or carry on ETP operations, will be final.
- e) The authorisation granted to an entity to operate an ETP is not transferrable. The Reserve Bank may initiate such steps as may be necessary, including imposing additional conditions, if the ETP operator is found to violate the provisions of these Directions or any other rules or regulations or conditions of authorisation.



- f) The Reserve Bank may cancel an authorisation issued to an entity to operate an ETP, after affording a reasonable opportunity to be heard, if it is satisfied that:
- (i) the ETP operator has violated a statutory provision or any rule or regulation or direction or order or instruction issued by the Reserve Bank; or
 - (ii) the ETP operator has violated any of the terms or conditions stipulated by the Reserve Bank while granting authorisation; or
 - (iii) the continuance of authorisation is prejudicial to public interest or financial system of the country.
- g) In case of cancellation of authorisation by the Reserve Bank, the operator of the ETP concerned shall stop the ETP operations with immediate effect or from any other date which the Reserve Bank may specifically indicate. In such case, the ETP operator shall surrender the letter of authorisation in original to the Reserve Bank.

6. Operating Framework

- a) **Access and participation:** An ETP operator shall:
- (i) Have objective, fair and transparent membership criteria;
 - (ii) Undertake due diligence at the time of on-boarding of all members and maintain all relevant information about its members;
 - (iii) Identify its members uniquely using Legal Entity Identifier (LEI) and/or Permanent Account Number (PAN);
 - (iv) Have well documented rules and regulations regarding, but not limited to, on-boarding, suspension and cessation of membership, roles and responsibilities of the members and the operator, liability framework for the ETP and its users in case of breach of rules and regulations, restrictions or other requirements that may apply for using the ETP, processing and execution of orders, risk management and control;
 - (v) Make available pre-trade information such as bid/offer prices, related quantities, depth of trading interest, or such other information, to its members in a fair and non-discriminatory basis consistent with the rules governing transactions;



- (vi) Make available post-trade information such as the price, volume and time of transactions or such other information, to its members, in a fair and non-discriminatory basis consistent with the rules governing transactions;
- (vii) Ensure that all documents, rules or regulations referred to in paragraph 6(a)(iv) above are freely available to its members.

b) **Risk Management**

- (i) An ETP operator shall put in place a comprehensive risk management framework, including a robust internal control framework, covering all aspects of its operations. It shall ensure that risks associated with its operations are identified properly and managed prudently.
- (ii) An ETP operator shall:
 - a. Ensure access control for its members and prevent unauthorised access to the platform;
 - b. Segregate the ETP from other financial services or infrastructure to prevent unfair access to the ETP;
 - c. Ensure that all trades on the system, without exception, are dealt within a fair, non-discretionary and orderly manner, and as per established procedure;
 - d. Prevent transactions that are not in compliance with the conditions of authorisation or with the prevailing legal or regulatory requirements; and
 - e. Put in place appropriate pre-trade and post-trade controls to reduce the likelihood of erroneous transactions such as off-market quotes or trades, fat finger errors, unintended or uncontrolled trading activity by members, etc.
- (iii) An ETP operator that provides/facilitates participation by algorithmic trading systems (algo systems) shall:
 - a. Put in place a framework for testing and on-boarding of algo systems;
 - b. Ensure that such facilities are offered in a transparent and non-discriminatory manner;



- c. Ensure that their systems and controls are adequate and effective for monitoring and managing risks arising from algo systems, including model risks embedded in the algorithms; and
 - d. Ensure that the personnel handling algo systems have the necessary skills and competence to handle such systems
- (iv) An ETP operator shall put in place rules and regulations in a transparent manner to deal with exigencies like suspension/cessation of trading or cancellation of orders/trades, malfunctions in its systems or erroneous use by its members, or any other unforeseen situation. Such exigencies should be dealt with in accordance with clearly laid down rules and regulations.
- (v) An ETP operator shall put in place an arrangement to address any dispute that may arise or is likely to arise between its members.
- c) **Surveillance:** An ETP operator shall implement surveillance systems and controls to ensure fair and orderly trading to maintain market integrity and monitor trading activity on a real time and post facto basis.
- d) **Conflict of Interest:** An ETP operator shall identify and disclose to the Reserve Bank conflicts of interest, if any, arising from the participation of related parties or group agencies.
- e) **Transparency:** An ETP operator shall implement a fair, non-discriminatory and transparent fee structure for its members.
- f) **Outsourcing of operations:** An ETP operator which outsources its operations/technology/activities, partially or fully, shall ensure that:
- (i) It has an effective governance and risk management mechanism for managing all risks inherent in such outsourcing relationships;
 - (ii) Such outsourcing arrangements do not impede or interfere with or hinder the ETP operator from ensuring compliance with these Directions or any other regulations/directions/instructions/guidelines issued by the Reserve Bank from time to time; and
 - (iii) The requirements relating to preservation, access, use of data and reporting as given in paragraph 6(j) and paragraph 7 below are adhered



to, even if the agreement/arrangement between the ETP operator and its outsourced entity has been rescinded or has expired.

- g) **Business Continuity and Disaster recovery:** An ETP operator shall have in place a suitable Business Continuity Plan (BCP) including contingency and disaster recovery arrangements that are appropriate to the nature, scale and complexity of its business to ensure continuity and availability of its operations.
- h) **Information Security:** An ETP operator shall put in place robust information/cyber security controls and processes along with adequate information and data security infrastructure. It should adhere to information/cyber security norms/guidelines, if any, prescribed by the Reserve Bank or any other regulator or public authority from time to time, as applicable to it.
- i) **IT/IS Audit:** An ETP operator shall carry out IT/IS audit, at least once in a year, by auditors with Certified Information System Auditor (CISA) certificates or auditors empanelled by Indian Computer Emergency Response Team (CERT-In) or such other professional bodies. Notwithstanding such IT/IS audits, the Reserve Bank may, at its discretion order an IT/IS audit of the ETP by an independent auditor(s), selected by the Reserve Bank.
- j) **Preservation, access and use of data**
 - (i) An ETP operator shall ensure confidentiality and security of all data relating to activities on the ETP. Access to such data should be strictly under the control of the ETP operator.
 - (ii) All data relating to activities on the ETP shall be maintained in easily retrievable media for at least 10 years. Without prejudice to the minimum requirement for storage of data, the data sought for any investigation by the Reserve Bank or any other authority as required under Indian laws or regulations shall be maintained for at least three years from the date of completion of the investigation.
 - (iii) In the event of cancellation of authorisation by the Reserve Bank or the termination of the operations by the ETP operator, the Reserve Bank may direct the operator to share all data relating to activities on the ETP with the Reserve Bank or any other agency that it may specify; and the



ETP operator shall share such data in the manner and form specified by the Reserve Bank.

7. Reporting requirements

- a) An ETP operator shall furnish a quarterly report on the functioning of the platform to the Reserve Bank in the format prescribed in [Annex – 2](#), on or before the 15th day of the month following the quarter.
- b) An ETP operator shall furnish a report, in respect of each financial year, to the Reserve Bank, on the status of their compliance with these Directions and the terms and conditions prescribed to them at the time of grant of authorization or subsequently on or before the 30th of April of the succeeding financial year.
- c) An ETP operator shall report transaction information to any trade repository or reporting platform, in the format and within the timeframe prescribed and in the manner, as specified by the Reserve Bank.
- d) An ETP operator shall also provide any other report, data and/or information as required by the Reserve Bank in the format and within the timeframe prescribed, and in the mode and manner advised.
- e) An ETP operator shall provide data/information to any other agencies/authorities as may be required under the Indian laws.
- f) An ETP operator shall keep the Reserve Bank promptly informed through [email](#) of any event resulting in disruption of activities or market abuse.

8. Termination of operation: An ETP operator, who is holding a letter of authorisation to commence or carry on ETP operations, may terminate its operation with prior approval of the Reserve Bank with regard to timing and date of termination of operations, and shall comply with the terms and conditions that may be stipulated by the Reserve Bank in this regard. In such case, the ETP operator shall surrender to the Reserve Bank the letter of authorisation in original granted to it to commence or carry on the ETP operations.

9. Other Directions

- a) The Reserve Bank, on being satisfied that it is necessary to do so, may exempt any ETP operator or class of ETP operators either generally or for such period as may be specified, from any or all of the provisions of these Directions, subject



to such terms or conditions or limitations or restrictions as it may think fit and proper to impose, in the interest of public or financial system of the country.

- b) Considering the need to ensure robustness of the market infrastructure, development of financial markets and the risks that unproven technology could pose or in public interest or to regulate the financial system of the country to its advantage, the Reserve Bank will be selective in granting authorisation for operating ETPs.

Yours faithfully

(Dimple Bhandia)
Chief General Manager



Annex - 1

Application Form for Authorisation to operate an Electronic Trading Platform (To be submitted through PRAVAAH portal of the Reserve Bank)

From

Name and address of registered office/ principal place of business of applicant

To

Chief General Manager,
Financial Markets Regulation Department,
Reserve Bank of India,
9th Floor, Central Office Building,
Shaheed Bhagat Singh Marg,
Mumbai –400001

Dear Sir,

Application for authorisation for setting up / operating an Electronic Trading Platform

We hereby submit an application for authorisation to set up / operate an electronic trading platform for ...(Name of instrument/s). The required information and documents have been furnished as per instructions.

2. We declare that to the best of our knowledge and belief the information furnished in the statements/annexes enclosed are true/correct and complete and nothing has been concealed.

Yours faithfully

Signature:

Name:

Designation:

Company Seal:

Date and Place:

Encl: sheets



Application Form for Authorisation to operate an Electronic Trading Platform

Part-A

1. Name, legal status and constitution of the applicant.
2. Promoters/owners, Directors and Senior Management details (details of foreign holding if any).
3. Net-worth – Auditor's certificate, audited financial statements if available.
4. Brief note on the applicant.
5. Previous experience of applicant and associated companies/firms/entities in operating trading infrastructure in financial markets.
6. Details of any punitive action or show cause notice or criminal prosecution by any regulator or any enforcement agency or any court, in India or in other jurisdictions against the applicant, any of its promoters or directors or any of its associated companies/firms/entities.
7. Details of the applicant, any of its promoters or directors, or any of its associated companies/firms/entities that has appeared in the list of defaulters published by any credit information company.

PART – B

1. Particulars of Electronic Trading Platform for which authorization is sought
 - a) Details including financial instrument/s proposed to be traded, technology employed, trading process and trading rules, risk management practices, monitoring and surveillance system, other services being provided as part of trading systems etc.;
 - b) Details on adherence to eligibility criteria prescribed under the regulations.;
 - c) Details on adherence to other requirements prescribed under the regulations;
 - d) Information on data storage and access; and
 - e) Information on whether the applicant has adopted the FX Global Code in case of applications seeking authorizations to permit trading in foreign exchange instruments.
2. If desirous of providing clearing and settlement service, the details thereof.
3. Any other information the applicant wishes to furnish.



Annex – 2

Quarterly Report by Entities Authorised to Operate Electronic Trading Platforms

1. Name of the ETP Operator:
2. Name of the ETP:
3. ETP Authorisation No.:
4. Report for the quarter ending:
5. Details on operations and transactions ([Table 1](#) and [Table 2](#)):

Table 1 – Details related to Operations of the ETP

Sr. No.	Information Item	Response to be Provided by Entities operating ETPs
1	Number of trading members on the ETP	At the beginning of quarter:
		At the end of quarter:
2	Events resulting in disruption of activities, during the quarter, if any:	
2 (a)	<i>Number of events resulting in disruption of activities</i>	
	<i>Of which number of events caused by cyber attacks</i>	
2 (b)	<i>Details of events resulting in disruption of activities, including date/s of occurrence and date/s of reporting to the Reserve Bank</i>	Please attach annexure, wherever required.
3	Instances of market abuse, during the quarter, if any:	
3(a)	<i>Number of instances of market abuse identified</i>	
3(b)	<i>Details of the instances of market abuse identified, including date/s of occurrence and date/s of reporting to the Reserve Bank</i>	Please attach annexure, wherever required.
4	Details about any material change in trading procedure or technology carried out during the quarter:	



Table 2 – Details Related to transactions in the ETP during the quarter

Sr. No.	Instrument name	Dealing mode (RFQ/RFS/ order matching etc.)	Number of transactions	Share of algo trades (% of no. of transacti ons)	Total Turnover (Amount)	Average bid-ask spread (where applicable)

(one row for each instrument hosted and each dealing mode provided by the ETP)

Note: The entity operating an ETP shall submit this report, for each ETP which it is authorized to operate, at the end of every quarter through [email](#) within fifteen calendar days from the end of the quarter.