

**CHIEF GENERAL MANAGER  
DERIVATIVES AND NEW PRODUCTS DEPARTMENT**

DNPD/Cir-24/04  
May 26, 2004

All Exchanges, Clearing Corporation / Clearing House,  
Depositories, Custodians, AMFI, STP service providers and STP Centralized Hub

**Sub: Straight Through Processing Service in the Indian Securities Market**

Dear Sir,

- 1) This is in continuation to our previous circular no. DNPD/Cir-9/04 dated February 3, 2004 & circular no. SEBI/MRD/SE/Cir-11/2004 dated February 25, 2004 streamlining the issuance of electronic contract notes as a legal document like the physical contract note for the equity and debt segments, circular no. DNPD/Cir-22/2004 dated April 1, 2004 mandating the use of the Straight Through Processing (STP) system for all institutional trades w. e. f. July 1, 2004 and circular no. DNPD/Cir-23/04 dated April 27, 2004 prescribing the detailed system flow of the STP system.
- 2) SEBI in order to regulate the STP service is hereby issuing the SEBI (STP centralised hub and STP service providers) Guidelines, 2004 (herein referred to as "STP Guidelines") which also prescribes the model agreement between the STP centralised hub and the STP service providers.
- 3) The STP guidelines prescribes the eligibility criteria and conditions of approval for the STP centralised hub and the STP service providers, obligations and responsibilities of the STP centralised hub and the STP service providers and code of conduct for the STP service providers. The STP centralised hub and the STP service providers shall abide by these Guidelines.
- 4) To prescribe contractual obligations between the STP centralised hub and the STP service providers and to facilitate standardisation of service, a model agreement between the STP centralised hub and the STP service providers has also been prescribed by SEBI and is prescribed as Schedule II of the STP Guidelines. The agreement between the STP centralised hub and the STP service provider shall include the provisions included in the model agreement.
- 5) This circular is being issued in exercise of powers conferred by section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with section 10 of the Securities Contracts(regulation) Act 1956, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours sincerely,

**N. PARAKH**

**Encl.**

- 1) SEBI (STP centralised hub and STP service providers) Guidelines, 2004

**SECURITIES AND EXCHANGE BOARD OF INDIA (STP CENTRALISED HUB AND  
STP SERVICE PROVIDERS) GUIDELINES, 2004**

**1) PRELIMINARY**

- (1) These Guidelines shall be called the Securities and Exchange Board of India (STP Centralised Hub and STP Service Providers) Guidelines, 2004.
- (2) These Guidelines are being issued under section 11 of the Securities and Exchange Board of India Act, 1992 to promote the development of the securities market.
- (3) They shall come into force on 26<sup>th</sup> day of May, 2004

**2) DEFINITIONS**

- (1) In these Guidelines, unless the context otherwise requires:-
  - (a) “Act” means the Securities and Exchange Board of India Act, 1992;
  - (b) “Certifying Authority” means a certifying authority who has been granted a license under section 24 of the Information Technology Act, 2000;
  - (c) “SEBI” means the Securities and Exchange Board of India established under Section 3 of the Act;
  - (d) “STP” means straight through processing;
  - (e) “STP centralised hub” means an infrastructure set-up by a person or entity for the purpose of rendering STP service by providing a platform for communication between different STP service providers;
  - (f) “STP message” means and includes all the messages for electronic trade processing with a common messaging standard as may be defined by SEBI from time to time;
  - (g) “STP service” means the setting up and maintaining of infrastructure to create an electronic communication network to facilitate information exchange with respect to securities market transactions between various market participants from the stage of trade initiation to final settlement through a STP system flow as may be determined by SEBI from time to time;
  - (h) “STP service provider” means a person or entity providing STP service to STP users to the extent of conveying messages between a STP user and the STP centralised hub and/or between two STP users;

- (i) “*STP user*” means all the users of the STP service and includes such users as are stipulated by SEBI; and,
  - (j) “*TRAI*” means the Telecom Regulatory Authority of India established under the Telecom Regulatory Authority of India Act, 1997.
- (2) Words and expressions used and not defined in these Guidelines, but defined in the Act or in the Securities Contracts (Regulation) Act, 1956 or in any rules or regulations made thereunder, shall have the meanings respectively assigned to them in such Acts, rules or regulations.

### **3) ELIGIBILITY CRITERIA FOR STP CENTRALISED HUB AND STP SERVICE PROVIDERS**

- (1) No person shall act as an STP centralised hub or a STP Service provider unless it obtains approval from SEBI to provide such service.
- (2) For the grant of a certificate of approval SEBI shall take into account the following:
  - i. whether the applicant is a person or entity with a minimum networth as may be prescribed from time to time.
  - ii. whether the applicant has adequate infrastructure facilities setup in India like office space, equipment and manpower with adequate experience in dealing in securities market and adequate expertise in providing necessary services and software solutions.

### **4) OBLIGATIONS AND RESPONSIBILITIES OF STP CENTRALISED HUB**

- (1) The STP centralised hub shall comply with the following:-
  - i. The STP centralised hub shall at all times comply with the requirement of eligibility criteria, specified by SEBI.
  - ii. The STP centralised hub shall abide by all the provisions of the Act, Rules, Regulations, Guidelines, Resolutions, Notifications, Directions, Circular, etc. as may be issued by the Government of India / TRAI / Department of Telecommunications and SEBI from time to time as may be applicable to the STP centralised hub.
  - iii. The STP centralised hub shall obtain such approval/s from such authorities as may be necessary to function as a centralised hub.
  - iv. The STP centralised hub shall obtain a digital signature certificate from a Certifying Authority and shall ensure that such digital signature certificate is valid and in force at all times. A copy of the certificate shall be submitted to all the recognized STP service providers.

- v. The STP centralised hub shall deliver a consistent and secure communication platform and shall establish continuous connectivity with all the recognized STP service providers to the best of its ability.
- vi. The STP centralised hub shall verify the digital signature certificate furnished by the STP Service Provider before connecting it to the STP centralized hub.
- vii. The STP centralised hub shall confirm authenticity, integrity and non-reputability of all messages submitted by the STP Service Provider.
- viii. The STP centralised hub shall ensure that the message received from the STP service provider is in the specified messaging standard.
- ix. The STP centralised hub shall promptly deliver the messages to the recipient STP service provider and shall ensure that only the intended STP Service Provider receives the message.
- x. The STP centralised hub shall digitally sign all messages sent to the STP service provider.
- xi. The STP centralised hub shall maintain a directory of all STP service providers and STP users.
- xii. The STP centralised hub shall maintain a complete record of the flow of messages processed. The records of the STP centralised hub shall be open for inspection by SEBI or any other person duly authorised by SEBI for this purpose.
- xiii. The STP centralised hub shall not modify / amend the communication protocol without consulting all the approved STP service providers.
- xiv. The STP centralised hub shall ensure that the message is not misused or tampered with while in its possession.
- xv. The STP centralised hub shall maintain confidentiality of information about its users and shall not divulge the same to other clients, the press or any other person except in accordance with law or as per the directions of any court of law or of SEBI.
- xvi. The STP centralised hub may charge reasonable fees from the STP service providers.

## **5) OBLIGATIONS AND RESPONSIBILITIES OF STP SERVICE PROVIDER**

(1) The STP Service provider shall comply with the following :-

- i. The STP service provider shall at all times comply with the requirement of eligibility criteria, specified by SEBI.
- ii. The STP service provider shall establish connectivity with the STP centralised hub before providing STP service to its users.
- iii. The STP service provider shall provide the necessary details of the STP users connected with it and all its details to the STP centralised hub for the purpose of creating and maintaining a directory of STP service providers and STP users.
- iv. The STP service provider shall comply with the minimum specifications specified by the STP centralised hub and as may be mutually agreed upon.

- v. The STP service provider shall abide by the service standards as may be specified by SEBI and / or the STP centralised hub in consultation with the STP service providers.
- vi. The STP Service Provider shall obtain a digital signature certificate from a Certifying Authority and submit a copy of the Certificate to the STP centralised hub.
- vii. The STP Service Provider shall ensure that the digital signature certificate is valid and in force.
- viii. The STP service providers shall deliver a consistent and secure communication platform and shall establish continuous connectivity with the STP centralised hub to the best of its ability.
- ix. The STP service provider shall ensure that the message sent to the STP centralised hub is in the prescribed messaging standard.
- x. The STP service provider shall verify the digital signature certificate furnished by the STP centralised hub before connecting itself to the STP centralised hub.
- xi. The STP service provider shall confirm authenticity, integrity and non-repudiability of all messages submitted to the STP centralised hub. The STP service provider shall keep complete track of the flow of messages for record and audit.
- xii. The STP service providers may charge reasonable fees from the STP users.
- xiii. The STP service provider shall exchange messages between other STP service providers only through the STP centralised hub. Provided that in force majeure measures or any other circumstances due to which the connectivity of the STP centralised hub is not available, the STP service providers after mutual discussion may exchange messages directly among themselves for such period.
- xiv. The STP service providers shall digitally sign all messages sent from it to the STP centralised hub.
- xv. The STP service provider shall enter into an agreement with all its STP users which shall also specify the fees payable by the STP user for the services.
- xvi. The STP service provider shall maintain a directory of the STP users connected to it.
- xvii. The STP service provider shall maintain a complete record of the flow of messages handled. The records of the STP service provider shall be open for inspection by SEBI or any other person duly authorised by SEBI for this purpose.
- xviii. The STP Service Provider shall verify the Digital signature on the message of the STP user connected to the STP Service Provider
- xix. The STP service provider shall ensure that the message from the STP user is in the specified messaging format.
- xx. The STP service provider shall promptly deliver messages to and from the STP user.

xxi. In respect of inter STP service provider messages, the STP service provider shall perform all actions to the best of its ability in the same manner, diligence, speed and with all checks and balances as if the message is to be delivered / received by the same service provider.

(2) Nothing in these guidelines shall exempt the STP service provider from discharging any obligations placed on it by any law, regulations and guidelines.

## **6) CONDITIONS OF APPROVAL FOR STP CENTRALISED HUB AND STP SERVICE PROVIDERS**

(1) Terms of approval:

- i. The approval by SEBI shall be for an initial period of five years for STP centralised hub and for a period of three years for STP service providers and must be renewed periodically.
- ii. The STP centralised hub and STP service provider must ensure continuous validity of approval by SEBI in order to function as a STP service provider.
- iii. The Board shall have the right to suspend / cancel the approval of the STP centralised hub and/or STP service provider in case of violation of the terms of the guidelines.

## **7) CODE OF CONDUCT FOR STP SERVICE PROVIDERS**

Every STP service provider shall abide by the Code of Conduct as specified in Schedule I.

## **8) MODEL AGREEMENT**

The STP centralised hub shall enter into an agreement with every STP service provider on the lines of the Model Agreement given in Schedule II.

## **SCHEDULE I**

### **CODE OF CONDUCT FOR STP SERVICE PROVIDERS**

(Clause 7 of the Guidelines)

- a.** The STP service provider shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.
- b.** The STP service provider shall disclose to the clients its possible sources or potential areas of conflict of duties and interest and provide unbiased services.
- c.** The STP service provider herein agrees and undertakes to perform its duties as a STP service provider with the highest standards of integrity and fairness in all its dealings.
- d.** The STP service provider shall abide by the obligation as specified under these Guidelines and the terms of the agreement entered into by the STP service provider with the STP users / STP centralised hub.
- e.** The STP service provider shall maintain true and correct record of the messages processed by it under the scheme and in particular the records in respect of:-
  - i.** the STP users
  - ii.** the messages exchanged within the same STP service provider
  - iii.** the messages exchanged with other STP service providers through the STP centralised hub
- f.** The STP service provider shall ensure that the message is not misused or tampered with while in its possession.
- g.** The STP service provider shall maintain confidentiality of information about its users and shall not divulge the same to other clients, the press or any other interested party except in accordance with law or as per the directions of any court of law.
- h.** The STP service provider shall abide by all the provisions of the Act, Rules, Regulations, Guidelines, Resolutions, Notifications, Directions, Circular, etc. as may be issued by the Government of India / Telecom Regulatory Authority of India / Department of Telecommunications and Securities and Exchange Board of India from time to time as may be applicable to the STP service provider.

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## SCHEDULE II

### MODEL AGREEMENT BETWEEN STP CENTRALISED HUB AND STP SERVICE PROVIDER

#### (Clause 8 of the Guidelines)

**THIS AGREEMENT** is made at \_\_\_\_\_ on this the \_\_\_ day of \_\_\_\_\_, 200\_\_ between \_\_\_\_\_ having its Registered office at \_\_\_\_\_ (hereinafter referred to as the 'STP Centralised Hub' which expression shall, unless it be repugnant to the context or the meaning thereof, be deemed to include its successors, legal representatives and assigns) of the First Part;

**And**

\_\_\_\_\_ a  
Company incorporated under the Companies Act, 1956 and having its registered office at

\_\_\_\_\_ (hereinafter referred to as the 'STP Service Provider' which expression shall unless it be repugnant to the context or the meaning thereof, be deemed to include its successors, legal heirs, legal representatives and assigns as the case may be) of the Second Part.

#### WHEREAS

1. The Securities and Exchange Board of India has mandated Straight Through Processing (hereinafter referred to as 'STP') for facilitating settlement of institutional trades.
2. In terms of the Securities and Exchange Board of India (STP Centralised Hub and STP Service Providers) Guidelines, 2004 an agreement has to be entered into between the STP Centralised Hub and the STP Service Provider.
3. The STP centralised hub has obtained such approval/s as may be necessary to function as a centralised hub.

**NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN \_\_\_\_\_ AND \_\_\_\_\_ AS UNDER :**

#### A. DEFINITIONS

1. DoT means Department of Telecommunications, India, Government of India and /or its successors.
2. EFFECTIVE DATE: The date on which this Agreement is entered into.
3. EMERGENCY means an emergency of any kind, including any circumstances whatever resulting from major accidents and natural disasters.
4. INTERNET: Internet is a global information system that:
  - is logically linked together by a globally unique address, based on Internet Protocol (IP) or its subsequent enhancements / upgradations;

- is able to support communications using the Transmission Control Protocol / Internet Protocol (TCP/IP) suite or its subsequent enhancements / upgradations, and all other IP compatible protocols; and
5. “TELECOM AUTHORITY” shall mean The Director General, DoT, Government of India and includes any officer empowered by him to perform all or any of the functions of the Telegraph Authority under the Indian Telegraph Act, 1885 or such other authority as may be established by law.
  6. “TRAI” – shall mean the Telecom Regulatory Authority of India established under the TRAI Act, 1997.

## **B. FEES PAYABLE BY STP SERVICE PROVIDER –**

The STP Service Provider agrees to pay Fees as listed in the Annexure in consideration for the services provided by STP centralised hub hereof. The said fees may be revised by STP centralised hub as may be mutually agreed upon with the STP Service Providers. The STP service provider shall also be liable to pay interest @\_\_\_% p.a. in case of delay in payments on the amount due till the actual date of payment.

## **C. STP SERVICE PROVIDER OBLIGATION**

1. The STP Service Provider shall obtain a digital signature certificate from a Certifying Authority, which has been issued a license by the Controller of Certifying Authorities appointed under the Information Technology Act, 2000. A copy of the Certificate shall be submitted to STP centralised hub.
2. The STP Service Provider shall verify the Digital signature on the message of the STP User connected to the STP Service Provider before sending the message to the STP Centralized hub.
3. The STP Service Provider agrees to comply with the minimum specifications prescribed by STP centralised hub and as may be mutually agreed upon.
4. The STP Service Provider shall adhere to the guidelines prescribed by SEBI from time to time.
5. The STP Service Provider acknowledges that the software for STP Centralized Hub including the STP Centralized hub client software is the legal property of STP centralised hub. The permission given by STP centralised hub to access and use STP Centralized Hub through the STP Centralized hub client software will not convey any proprietary or ownership rights in the above software. The access of the STP Service Provider is limited to the STP Centralized hub Client software.
6. The STP Service Provider shall not attempt to modify, translate, disassemble, decompile or reverse engineer Centralized the STP Centralized hub client software or create any derivative product based on that software.
7. The STP Service Provider shall have a non-exclusive right to access STP Centralized Hub through the STP Centralized hub client software. This right is not transferable under any circumstances and shall be used by the STP Service Provider itself or by its authorized agent as may be mutually agreed.
8. The STP Service Provider shall not use the infrastructure or the facilities provided by STP centralised hub for any other purpose other than those mentioned in this Agreement.

9. The STP Service Provider shall indemnify STP centralised hub against any damage, loss, expenses, costs etc incurred by it due to negligence (intentional or unintentional) of the STP Service Provider.
10. The STP Service Provider shall ensure that by using the Hub client software provided by STP centralised hub
  - a. No damage will be caused to the STP Centralized hub, and that it does not propagate virus infected information
  - b. It will pass on only relevant information to be exchanged with the other STP service provider.
  - c. It will not try to probe any other information available on the STP Centralized Hub

#### **D. STP CENTRALISED HUB OBLIGATIONS**

1. STP centralised hub shall obtain a digital signature certificate from a Certifying Authority, which has been issued a license by the Controller of Certifying Authorities appointed under the Information Technology Act, 2000. A copy of the Certificate shall be submitted to STP service provider.
2. STP centralised hub acknowledges that STP infrastructure of the STP service provider is the legal property of STP service provider. The permission given by STP service provider to STP centralised hub's STP hub client software to co-locate on STP infrastructure will not convey any proprietary or ownership rights in the STP infrastructure.
3. STP centralised hub may subcontract and employ agents to carry out any of its obligations under such terms and conditions as may be mutually agreed.
4. STP centralised hub shall be solely responsible for installation, networking and operation of applicable systems. STP centralised hub shall clearly display and publicise specifications of STP Service Providers terminal equipment at Service Provider premises which are necessary for interfacing to network.
5. STP centralised hub shall abide by the guidelines issued by SEBI from time to time on the STP framework.
6. STP centralised hub shall confirm authenticity, integrity and non-repudiability of all messages submitted by the STP Service Provider.
7. The STP Centralized Hub would keep complete track of the flow of messages for record and audit.
8. STP centralised hub shall ensure that only the intended STP Service Provider receives the message.
9. STP centralised hub shall not misuse/ alter / reverse engineer / decompile the content of the messages submitted by the STP Service Providers.
10. STP centralised hub will digitally sign all messages sent from the STP Centralized Hub to the STP Service Provider.
11. STP centralised hub agrees to PKI enable the STP Hub client software within ----- months after the agreement would come into force. STP centralised hub shall digitally sign all messages at STP Centralized Hub prior to sending it to STP Service Providers. hub client software will maintain unsigned logs of such events.
12. STP centralised hub shall indemnify the STP service provider against any damage, loss, expenses, costs etc incurred by it due to its negligence (intentional or unintentional). STP

centralised hub shall not use the infrastructure or the facilities provided by STP service provider for any other purpose other than those mentioned in this Agreement.

13. Hub client software provided by STP centralised hub will ensure that :
  - a. No damage will be caused to the service providers system.
  - b. It will not propagate virus infected information
  - c. It will pass on only relevant information to be exchanged with the other STP service provider.
  - d. It will not try to probe any other information available on the STP Service Providers setup
  - e. It will not try to modify, translate, disassemble, de-compile or reverse engineer the software to gain access to restricted information or create any derivative product based on STP service provider's system.

#### **E. COMPLIANCE WITH LAWS**

1. Both the parties represent that they have taken all necessary corporate action to authorise the execution and consummation of this agreement and shall furnish satisfactory evidence of the same upon request to other party.
2. Both the parties hereto agree that they shall comply with all applicable Central, state and local laws, ordinances, regulations and codes in performing their obligations hereunder, including the procurement of licenses, permits and certificates and payment of taxes where required.
3. The parties shall fully inform themselves of all necessary obligations and statutes under Indian Law (including the security measures prevalent in India) and shall not hold the other party responsible for any lapse in this regard. This shall include, but not be limited to, the knowledge and understanding of the physical, environmental and technical standards required for the provision and operation of the Equipment, software and services within India. The monetary obligations, if any, devolving on either of the parties due to statutory changes subsequent to the conclusion of the Agreement, shall be borne by the respective party, if applicable.

#### **F. SERVICE CHANGES AND DISCONTINUATION**

STP centralised hub shall if directed by regulatory authorities, suspend the STP Service Provider's access to the STP Centralized Hub at any time without notice. The STP Service Provider agrees that STP centralised hub will not be liable to any third party for any modification or discontinuance of the STP Centralized Hub. If STP centralised hub receives prior notice of such direction it shall be communicated to the service provider immediately.

In order to maintain the security and integrity of the service STP centralised hub may also suspend the STP Service Provider's access to the STP Centralized Hub. The STP Service Provider agrees that STP centralised hub will not be liable to or any third party for any modification or discontinuance of the STP Centralized Hub. The Parties shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the arrangement. In the case of any issues arising out of the

security and integrity of the messages being exchanged through the hub, the same shall be resolved by mutual discussion. In the event the parties are not able to settle the same within the time frame agreed between the parties either party may, by written notice of 30 days sent to the other party, temporarily suspend the arrangements, in whole or in part, till the parties find a technical solution to the security and technical issues. The notice of termination shall specify the termination is at whose instance, the extent to which performance of the agreement is suspended, and the date upon which such suspension becomes effective.

#### **F. FORCE MAJEURE**

If the performance of any obligations by any party as specified in this agreement is prevented, restricted, delayed or interfered by reason of force majeure then notwithstanding anything hereinbefore contained, the party affected shall be excused from its performance to the extent such performance relates to such prevention, restriction, delay or interference and provided the party so affected uses its best efforts to remove such cause of non-performance and when removed the party shall continue performance with utmost urgency. For the purpose of this clause "Force Majeure" means & includes fire, explosion, cyclone, floods, war, revolution, blockage or embargo, any law, order, demands or requirements of any Government or statutory authority, strikes, which are not instigated for the purpose of avoiding obligations herein or any other circumstances beyond the control of the party affected.

#### **G. AMENDMENT TO THE AGREEMENT**

The rights and obligations of the parties are governed only by this agreement. This agreement may be amended, altered, modified, varied or added to from time to time only by a written instrument duly signed by both the parties to this agreement. All previous communications, both oral and written between the parties and related to this agreement, but inconsistent with the terms and conditions of this agreement, are hereby declared null and void.

#### **I. VALIDITY**

This Agreement is valid so long as STP service provider holds valid approval from SEBI and STP centralised hub holds valid approval as STP Centralised Hub from SEBI. This Agreement shall be valid for an initial period of \_\_\_\_\_ years (hereinafter referred to as the 'Term'). After the term, the arrangement may be extended on mutually acceptable terms.

#### **H. TERMINATION**

Without prejudice to the rights, liabilities, interests and obligations that have accrued to the parties prior to the date of terminations

1. Either party may terminate this agreement upon material breach by the other of any provision of this agreement, and (if such breach is remediable) that other fails to remedy such breach within a mutually agreed time frame in writing.
2. This agreement may, at any time during its Term, be terminated by either party by a written 90 days notice to the other party without prejudice to the rights, liabilities, interests and

obligations that have accrued to the parties prior to the date of such termination. The grounds upon which this agreement may be terminated pursuant to this clause are as under:

- i) In case a Receiver has been appointed with respect to all or substantially all the assets of the parties. Provided that this clause shall not be applicable when winding up proceedings have been initiated to facilitate an amalgamation with another company proposing to carry on the same business
  - ii) if one of the parties enters into an arrangement of composition with its creditors.
3. This agreement may, at any time during its Term, be terminated by STP centralised hub by a written notice in case the ISP license of STP centralised hub is revoked or the services are taken over by DoT / Telecom Authority in the event of an emergency or otherwise. If STP centralised hub receives prior notice of the same it shall be provided to the service provider immediately.
  4. This agreement may, for convenience, at any time during its term, be terminated by either party, by a written notice of 90 days to the other party.
  5. The provisions contained hereinabove shall not preclude the other party from recourse to any other remedies available to itself by statute or otherwise, at law or in equity.
  6. In order to maintain the security and integrity of its infrastructure STP service provider may also suspend the STP hub client software access to its system at any time without notice.

#### **I. NOTICE**

Any notice to be given by one party to the other pursuant to this agreement shall be sent by registered post A.D., speed post or facsimile transmission to the address mentioned below:

1. \_\_\_\_\_ (NAME OF THE STP CENTRALISED HUB)  
\_\_\_\_\_ (ADDRESS)

2. \_\_\_\_\_ (NAME OF STP SERVICE PROVIDER)  
\_\_\_\_\_ (ADDRESS)

#### **J. WAIVER OF RIGHTS**

No forbearance, delay or indulgence by any party in enforcing any of the provisions of this agreement shall prejudice or restrict the rights of that party nor shall any waiver of its rights operate as a waiver of any subsequent breach and no rights, powers, remedies herein conferred upon or reserved for the parties is exclusive of any other right, power or remedy available to that party and each right, power or remedy shall be cumulative.

#### **K. ARBITRATION AND JURISDICTION**

In the case of any dispute or any difference between the parties arising out of or in relation to this agreement including dispute or difference as to the validity of this agreement or interpretation of

any of the provisions of this agreement or losses or damages arising under clause C-8 and the relevant clause under STP Centralized hub of this agreement, the same shall be resolved by mutual discussion. If the parties fail to settle the dispute or difference mutually, then the same shall be resolved in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any modifications or amendments thereto, or any enactment for the time being in force subject to the stipulation that only courts at Mumbai shall have exclusive jurisdiction in all such matters. The provisions of this clause shall survive the termination of this agreement.

#### **L. GOVERNING LAW**

1. This agreement shall be governed by and construed and interpreted in accordance with the laws of India, SEBI Act, Regulations, Rules and SEBI (STP centralised hub and STP service providers) Guidelines, 2004.
2. If any term or provision of this agreement should be declared invalid by a court of competent jurisdiction, the remaining terms and provisions of this agreement shall remain unimpaired and in full force and effect.

#### **M. DISCLAIMER**

STP centralised hub shall use its best endeavor only to ensure that the services provided shall be in conformity with the terms of this agreement. STP centralised hub shall not be liable for bad/slow connection or any technical glitches on account of reasons beyond its control.

#### **N. CONFIDENTIALITY**

The Parties hereto shall at all times maintain and keep secret and confidential any know-how, information and data which it has or may acquire from time to time relating to the business, activities or operations of the other Party and shall not disclose or divulge the same or any part thereof to any third party. The terms of this clause shall survive termination of the Agreement.

The obligations shall not apply with respect to Information which :

- 1) is or becomes publicly available other than through a breach of this Agreement or is unlawfully appropriated;
- 2) is already in the possession of the other party without any breach of this Agreement ;
- 3) is obtained by the other party from a third party without any breach of this Agreement .
- 4) is required to be produced before a judicial authority and only where the other party is compelled to do so by such an authority, provided that the said authority ( or individual representing such authority ) has the authority, under the laws in force, to compel such disclosure.

Notwithstanding the foregoing, before making any use or disclosure on any of the foregoing exceptions, the Party disclosing such information shall intimate the Other Party as soon as practicable the applicable exceptions (s) and circumstances giving rise thereto.





## ANNEXURE

STP centralised hub shall charge a fee of Rs. ----- . The fees shall be charged to the sending service provider. The billing shall be on a ----- basis.

One message shall mean and include the following –

- One ISO message sent by a service provider to the STP centralised hub
- Acknowledgement message sent by the STP centralised hub to the Sending service provider
- The message forwarded to the receiving service provider
- Acknowledgement received from the receiving service provider for the message
- Forwarding the acknowledgement received from the receiving service provider to the sending service provider

In consideration of the fees STP centralised hub shall endeavour to provide the following service standards –

### Infrastructure availability

- 99% Uptime for business hours from 0930 hrs till 1930 hrs computed on a quarterly basis. Planned Outage excluded
- Uptime on best effort basis between 1930 hrs to 0930 hrs
- Resolution time: 4 hours for called logged between 0930 to 1800 hrs

### Trouble Ticketing

- |                           |   |
|---------------------------|---|
| Business Hrs              | - Telephonic reporting of Fault on STP centralised hub Helpdesk   |
| Non-Business Hrs          | - Telephonic reporting of Fault on STP centralised hub Operations |
| Call closure confirmation | - STP service Provider to give respective telephone numbers       |

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