

National Stock Exchange of India Limited

Circular

DEPARTMENT: INSPECTION	
Download Ref No: NSE/INSP/54386	Date: November 11, 2022
Circular Ref. No: 82/2022	

To All Trading Members,

Sub: Penalties/disciplinary action(s)/charges for delay or non-submission of Action Taken Report and/or Follow-on Audit report in case of System Audit and Cyber Security and Cyber Resilience Audit of Trading Members.

Members' attention is drawn to Exchange circular Ref. No. NSE/INSP/53530 dated September 02, 2022, regarding "Enforcement actions against the Trading Members". In Sr. No. 7 & 8 of Annexure 1 of the said circular, the penalty structure has been prescribed for non-submission of System Audit and Cyber Security and Cyber Resilience Audit reports, respectively.

Further, Trading Members are also required to comply with any non-compliance / non-conformities (NCs) observed in the System Audit and Cyber Security and Cyber Resilience Audit reports by submitting an Action Taken Report (ATR) and/or Follow-on audit report, if applicable. The penalty/disciplinary action(s) with respect to any delay or non-submission of Action Taken Report (ATR) and/or Follow-on audit report are stipulated in **Annexure A**, and the same shall be applicable w.e.f. **January 01, 2023**.

All members are advised to take note of the above to bring the provisions of this circular to the notice of the auditors and put in place adequate systems and procedures to ensure strict adherence to the compliance requirements.

**For and on behalf of
National Stock Exchange of India Limited**

**Ajinkya Nikam
Senior Manager**

National Stock Exchange of India Limited

Annexure A

Sr. No.	Details of Violation / contravention	Penalty/disciplinary actions	Penalty/disciplinary action in case of Repeat violation/contravention
1	Delay / Non-submission of ATR / Follow-on audit report as recommended by the auditor in case of system audit report / cyber security and cyber resilience audit report.	<p>1. For 1st week after due date, Charges of Rs. 2,500/- per day</p> <p>2. Charges of Rs. 5000/- per day from second week after due date</p> <p>3. In case of non-submission within three weeks from the due date of submission, New client registration to be prohibited and notice of 7 days for disablement of trading facility till submission of data/report. The disablement notice issued to the member shall be shared with all the Exchanges for information.</p> <p>4. In case of non-submission within four weeks from the due date of submission, Member shall be disabled in all segments till submission of data/report.</p>	<p>In case of a repeat instance by the Member, levy of applicable monetary penalty along with an escalation of 50%.</p> <p>In case of non-submission for within three weeks from the due date of submission, New client registration to be prohibited and notice of 7 days for disablement of trading facility till submission of data/report. The disablement notice issued to the member shall be shared with all the Exchanges for information.</p> <p>In case of non-submission within four weeks from the due date of submission, Member shall be disabled in all segments till submission of data/report.</p>

In case of any clarifications, Members may contact our below offices:

Regional Office	E MAIL ID	CONTACT NO.
Ahmedabad (ARO)	inspectionahm@nse.co.in	079- 49008632
Chennai (CRO)	inspection_cro@nse.co.in	044- 66309915 / 17
Delhi (DRO)	delhi_inspection@nse.co.in	011- 23459127 / 38 / 46
Kolkata (KRO)	inspection_kolkata@nse.co.in	033- 40400412 / 59
Mumbai (WRO)	compliance_wro@nse.co.in	Board Line: 022-25045000 / 022-61928200 Direct Line: 022-25045138 / 022-25045144 Extn: 28144/28138
Central Help Desk	compliance_assistance@nse.co.in	