

National Stock Exchange of India

Circular

Department: Compliance	
Download Ref No: NSE/COMP/53921	Date: October 03, 2022
Circular Ref. No: 71/2022	

To All Members,

Sub: Reporting for Artificial Intelligence (AI) and Machine Learning (ML) applications and systems offered and used by market intermediaries

This is further to the Exchange Circulars NSE/COMP/40174 dated February 07, 2019 and NSE/COMP/52832 dated July 01, 2022 regarding the Reporting of Artificial Intelligence (AI) and Machine Learning (ML) applications and systems offered and used by market intermediaries, within 15 calendar days of the expiry of the quarter.

Members are advised to submit the report for the quarter September 30, 2022 through the new digital portal (<https://digitalexchange.nseindia.com>). The link for submission shall remain active till October 15, 2022. The procedure for upload through digital portal is given annexed below for reference.

Members who don't use AI-ML systems are also required to submit a "NIL" report. Please refer the Annexure and follow the instructions for such reporting.

Failure to report AIML details within the prescribed timelines, would be treated as non-compliance and attract a penalty of Rs. 10,000/- each quarter in accordance with circular ref. no. NSE/INSP/52085 dated April 22, 2022.

All members are advised to ensure submission on or before October 15, 2022.

For any support, please reach out to the helpdesk on 1800 266 0050 (Select IVR option 3) or email at memcompliance_support@nse.co.in.

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

**Manasi Sawant
Senior Manager**



USER MANUAL

AI & ML Reporting

Objective:

This document contains a step-by-step guide on how to do AI & ML reporting submissions to the exchange on quarterly basis and view previously submitted reports.

Intended Users: Members registered with exchange

Document Owner: NSE

Note: This publication is a corporate document prepared as part of the NSE transformation program initiated by NSE in 2020.



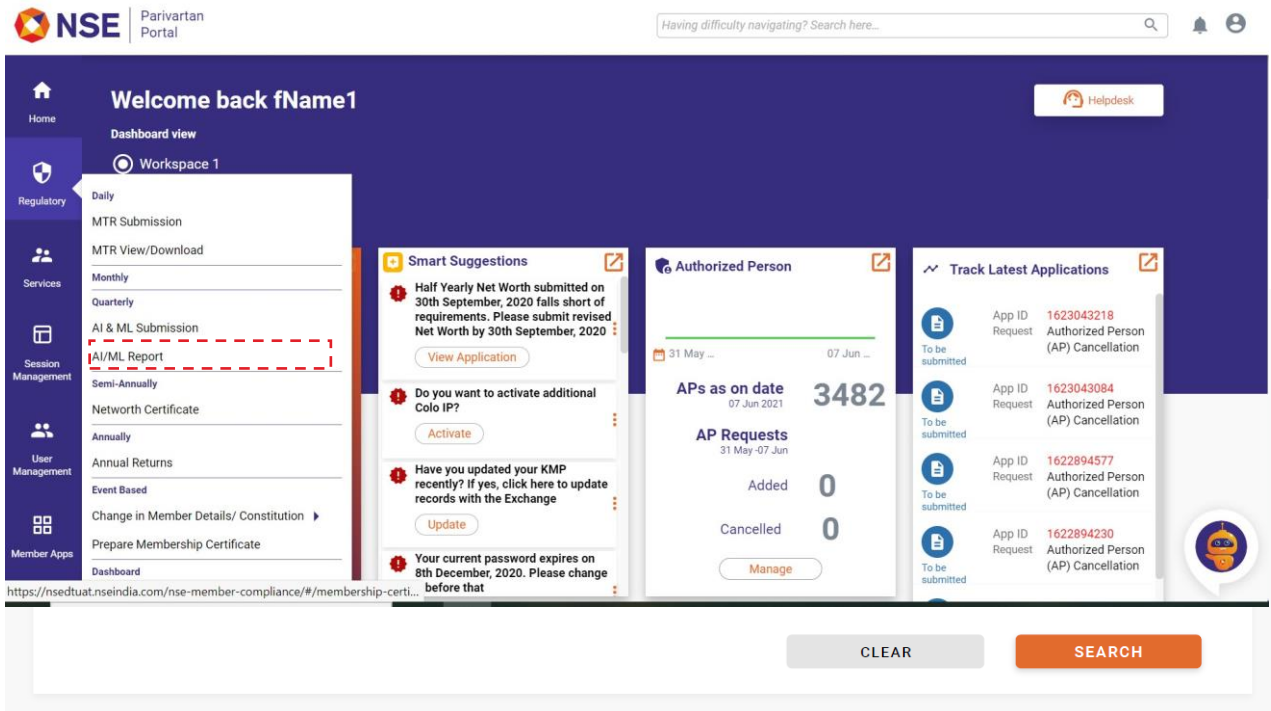
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1 Viewing AI & ML Submissions

1.1 Navigate through the left menu (Regulatory -> Quarterly -> AI & ML Report)



The screenshot shows the NSE Parivartan Portal dashboard. The left sidebar contains a menu with the following items: Home, Regulatory, Services, Session Management, User Management, and Member Apps. The 'Regulatory' menu is expanded, showing a sub-menu with: Daily, MTR Submission, MTR View/Download, Monthly, Quarterly, AI & ML Submission, AI/ML Report (highlighted with a red dashed box), Semi-Annually, Networth Certificate, Annually, Annual Returns, Event Based, Change in Member Details/ Constitution, Prepare Membership Certificate, and Dashboard. The main content area displays a 'Welcome back fName1' message, a 'Dashboard view' section, and several widgets: 'Smart Suggestions' (with a warning about Net Worth submission), 'Authorized Person' (showing 3482 APs as on date), and 'Track Latest Applications' (listing App ID requests). The bottom of the page features a 'CLEAR' button and a 'SEARCH' button.

1.3 Clicking on search button will show all submissions

← Back to Dashboard
NEW SUBMISSION

AI & ML Reports

Member Name

Motilal Oswal

Member Code

112233

Submission From Date - To Date

Select Dates 

Quarter

Select Quarter ▼

CLEAR

SEARCH

Search Result

Showing 08 results

 Export
  Clear all search
  Clear Sort
  Layout

☐	Sr No. 	Quarter Start Date - End Date 	Submission Date 
☐	112233	01/04/2019 - 30/06-2019	1/07/2019 10:00 AM
☐	223344	01/07/2019 - 30/09/2019	01/10/2019 10:00 AM
☐	234567	01/10/2019 - 31/12/2019	01/01/2020 10:00 AM
☐	787655	01/01/2020 - 31/03/2020	01/04/2019 10:00 AM
☐	334455	01/04/2019 - 30/06-2019	1/07/2019 10:00 AM
☐	665544	01/07/2019 - 30/09/2019	01/10/2019 10:00 AM
☐	229900	01/10/2019 - 31/12/2019	01/01/2020 10:00 AM
☐	887766	01/01/2020 - 31/03/2020	01/04/2019 10:00 AM

 NIL Submission Highlighted

Note:

Member can start a new submission, by clicking 'New Submission' button which will take member to request selection page

1.4 Member can search for specific quarter and submission date range

[← Back to Dashboard](#)
NEW SUBMISSION

AI & ML Reports

Member Name
Motilal Oswal

Member Code
112233

Submission From Date - To Date
22/01/2019 - 22/03/2019

Quarter
Q1: Apr 2019 - Jun 2019

CLEAR

SEARCH

Search Result

Showing 08 results

Export
Export Member Data submission
Clear all search
Clear Sort
Layout

☐	Sr No.	Quarter Start Date - End Date	Submission Date
☒	112233	01/04/2019 - 30/06-2019	1/07/2019 10:00 AM
☐	223344	01/07/2019 - 30/09/2019	01/10/2019 10:00 AM
☐	234567	01/10/2019 - 31/12/2019	01/01/2020 10:00 AM
☐	787655	01/01/2020 - 31/03/2020	01/04/2019 10:00 AM
☐	334455	01/04/2019 - 30/06-2019	1/07/2019 10:00 AM
☐	665544	01/07/2019 - 30/09/2019	01/10/2019 10:00 AM
☐	229900	01/10/2019 - 31/12/2019	01/01/2020 10:00 AM
☐	887766	01/01/2020 - 31/03/2020	01/04/2019 10:00 AM

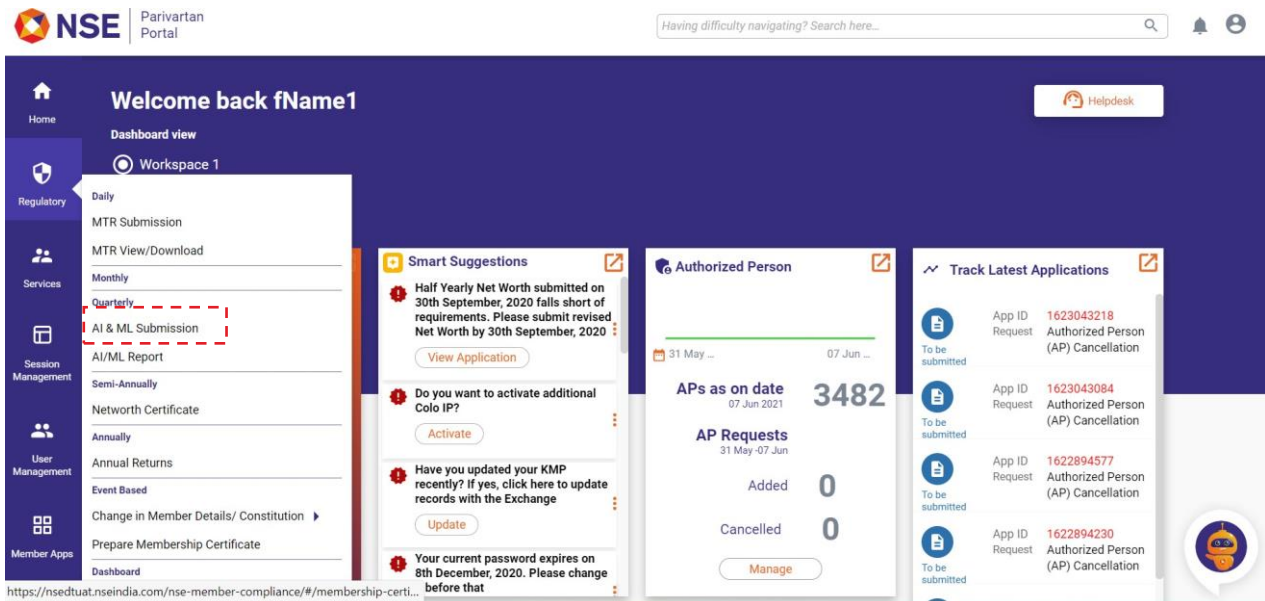
☐ NIL Submission Highlighted

Note:

- 'NIL' submissions are highlighted
- Details of member submissions can be exported by selecting a row and clicking "Export Member Data Submission" icon button
- All grid data can be exported using "Export" icon button

2 Submission of quarterly AI & ML reporting

2.1 Navigate through the left menu (Regulatory -> Quarterly -> AI & ML Report)



2.2 Clicking on AI & ML Report in the menu option leads to this page

[Back to Dashboard](#)
NEW SUBMISSION

AI & ML Reports

Member Name

Motilal Oswal

Member Code

112233

Submission From Date - To Date

Select Dates 

Quarter

Select Quarter 

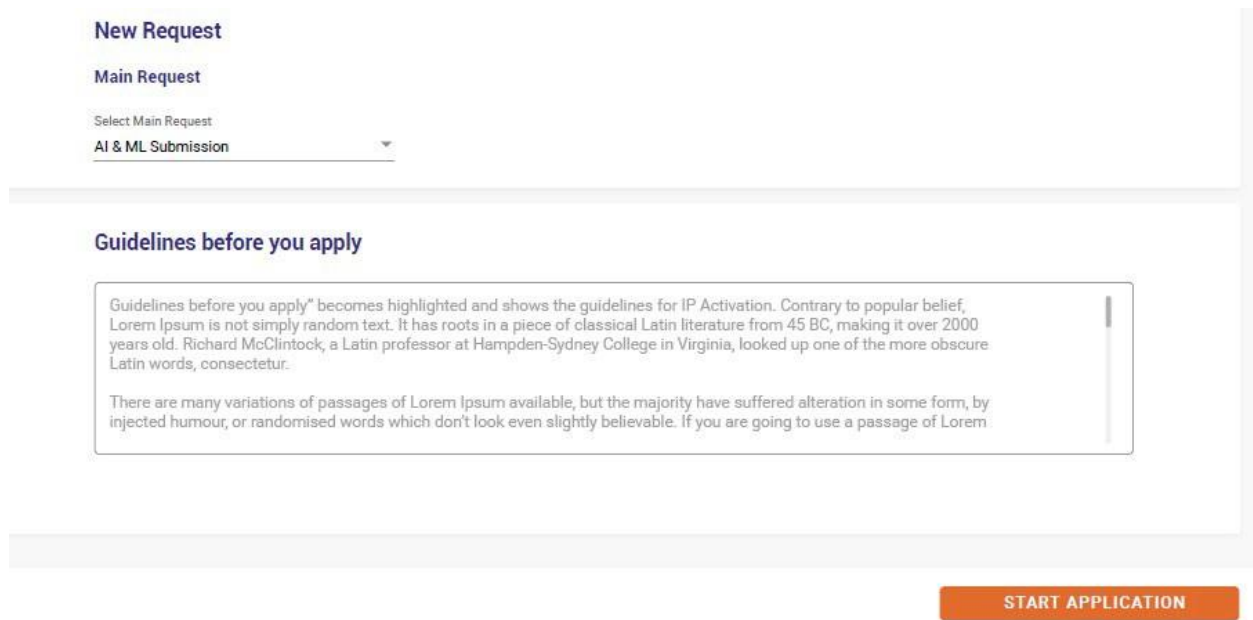
CLEAR

SEARCH

Notes:

- Member can start a new submission, by clicking 'New Submission' button which will take member to request selection page

2.3 Clicking on New Submission button leads to this page. Read the guidelines and then click on 'Start Application'



New Request

Main Request

Select Main Request
AI & ML Submission

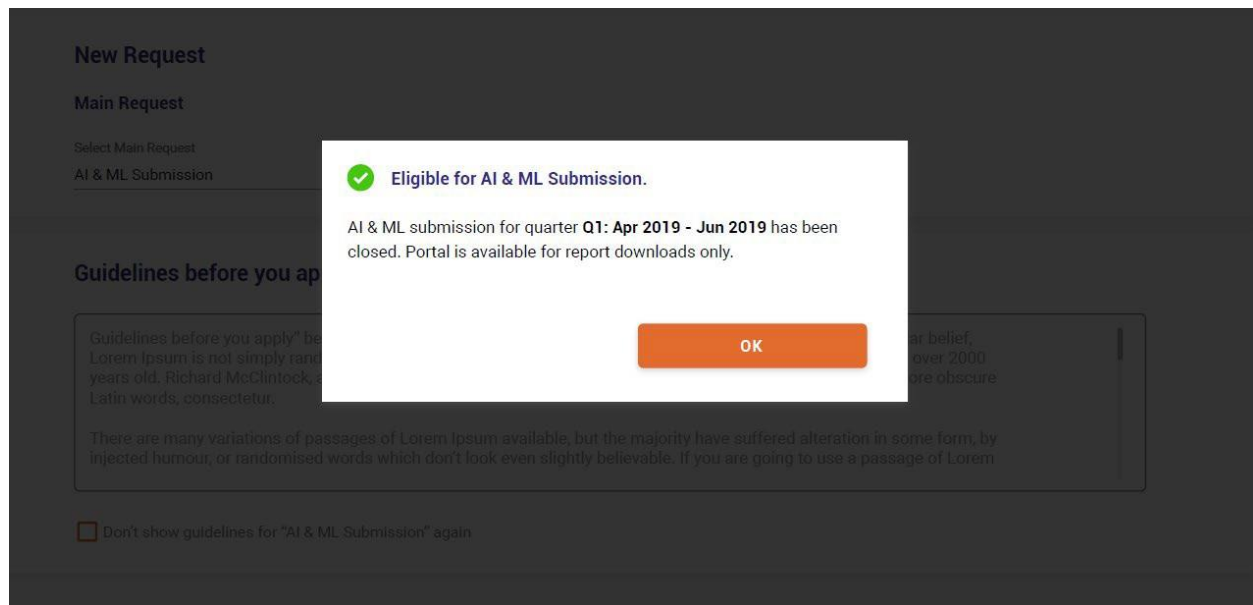
Guidelines before you apply

Guidelines before you apply" becomes highlighted and shows the guidelines for IP Activation. Contrary to popular belief, Lorem Ipsum is not simply random text. It has roots in a piece of classical Latin literature from 45 BC, making it over 2000 years old. Richard McClintock, a Latin professor at Hampden-Sydney College in Virginia, looked up one of the more obscure Latin words, consectetur.

There are many variations of passages of Lorem Ipsum available, but the majority have suffered alteration in some form, by injected humour, or randomised words which don't look even slightly believable. If you are going to use a passage of Lorem

START APPLICATION

2.4 Clicking Start Application leads to this page if submission window is closed



New Request

Main Request

Select Main Request
AI & ML Submission

Guidelines before you apply

Guidelines before you apply" becomes highlighted and shows the guidelines for IP Activation. Contrary to popular belief, Lorem Ipsum is not simply random text. It has roots in a piece of classical Latin literature from 45 BC, making it over 2000 years old. Richard McClintock, a Latin professor at Hampden-Sydney College in Virginia, looked up one of the more obscure Latin words, consectetur.

There are many variations of passages of Lorem Ipsum available, but the majority have suffered alteration in some form, by injected humour, or randomised words which don't look even slightly believable. If you are going to use a passage of Lorem

☐ Don't show guidelines for "AI & ML Submission" again

Eligible for AI & ML Submission.

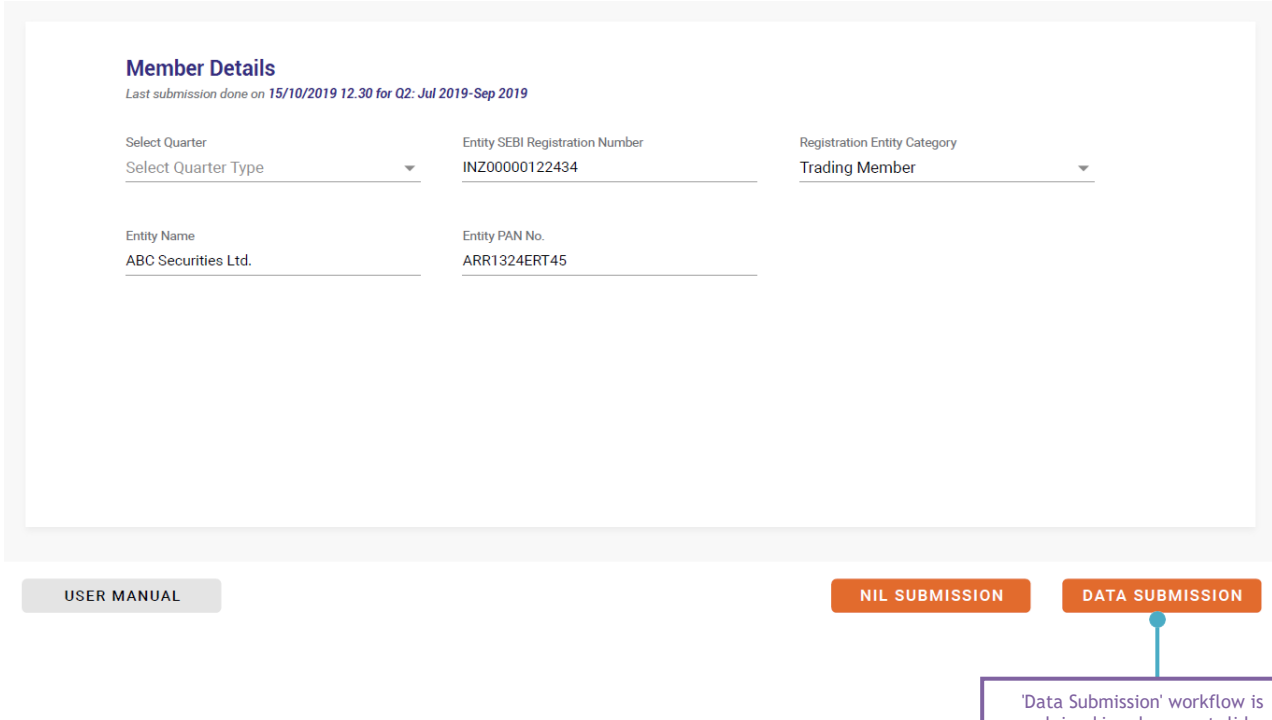
AI & ML submission for quarter Q1: Apr 2019 - Jun 2019 has been closed. Portal is available for report downloads only.

OK

Notes:

- Submission window is from 1st to 15th of the new quarter start month say from 1st Jul to 15th Jul for Apr-June Quarter.
- Window is subject to change as per exchange decision

- 2.5 Clicking on Start Application leads to this page if submission window is open, Select Quarter and click on either NIL or Data submission



Member Details
Last submission done on 15/10/2019 12.30 for Q2: Jul 2019-Sep 2019

Select Quarter
Select Quarter Type ▼

Entity SEBI Registration Number
INZ00000122434

Registration Entity Category
Trading Member ▼

Entity Name
ABC Securities Ltd.

Entity PAN No.
ARR1324ERT45

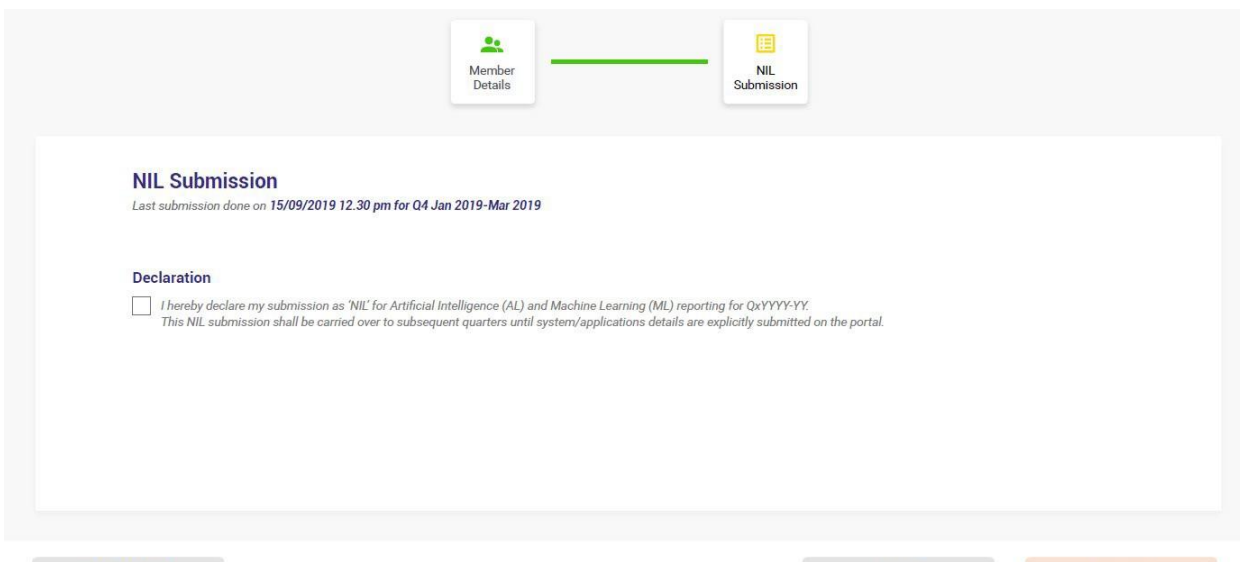
USER MANUAL

NIL SUBMISSION

DATA SUBMISSION

'Data Submission' workflow is explained in subsequent slides

- 2.6 Clicking on 'NIL Submission' leads to this page



NIL Submission
Last submission done on 15/09/2019 12.30 pm for Q4 Jan 2019-Mar 2019

Declaration

☐ I hereby declare my submission as 'NIL' for Artificial Intelligence (AI) and Machine Learning (ML) reporting for QxYYYY-YY.
This NIL submission shall be carried over to subsequent quarters until system/applications details are explicitly submitted on the portal.

USER MANUAL

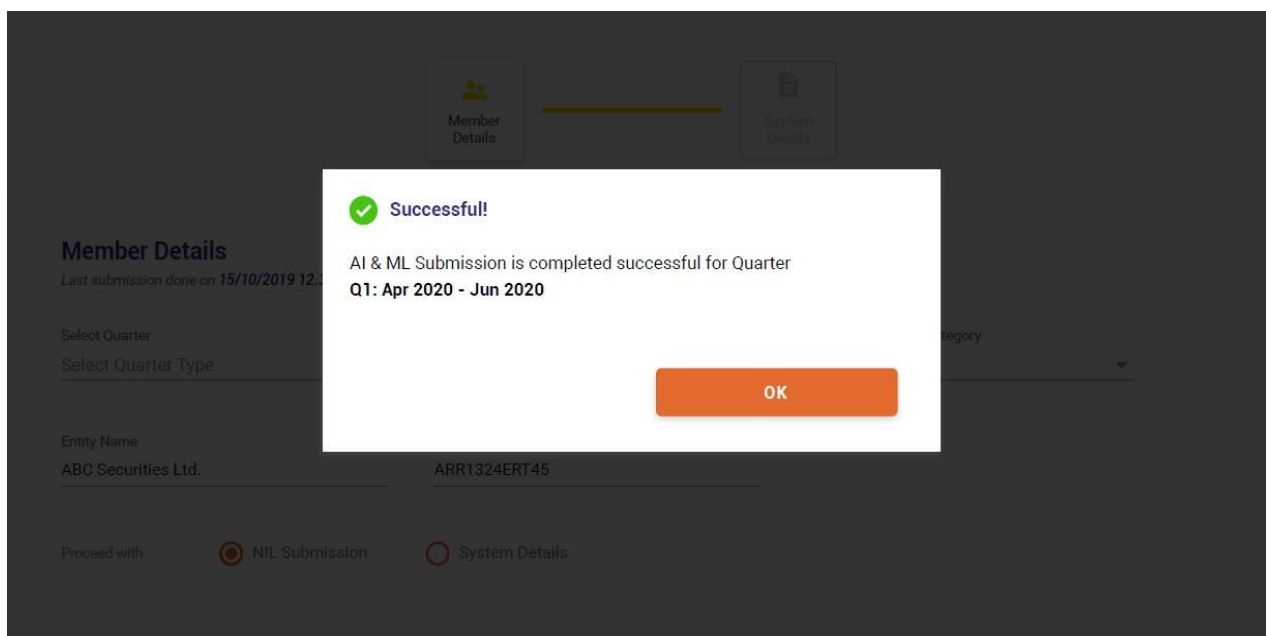
BACK

SUBMIT

Note:

- Select the declaration checkbox and complete NIL Submission
- NIL submission implies there is no usage of AI & ML technologies in any system

2.7 Success msg pop-up after submission completion



Note:

Email notification is sent post successful submission

2.8 Clicking on Data Submission' leads to this page


 Member
Details


 System
Details

System Details

Application/ System Name <u>i-Core</u>	Date from when the Application/ System was used <u>04/01/2019</u>	Type of area where AI & ML is used <u>Order Execution</u>
Does the system involve order initiation, routing and execution? ☐ Yes ☒ No		
Does the system fall under discretionary investment or Portfolio Management activities? ☐ Yes ☒ No		
Does the system disseminate investment or trading advice or strategies? ☐ Yes ☒ No		
Is the application /system used in area of cyber security to detect attacks? ☐ Yes ☒ No		
What claims have been made regarding AI & ML Application/ System, is any? <u>Accurate Results</u>	What is the name of the Tool/ Technology that is categorized as AI&ML system/ application and submissions are declared vide this response? <u>i- Core Algo Trader</u>	How was the AI or ML project implemented? <u>Internally</u>
Are the key controls and control points in AI & ML Application/ system in accordance to the circular of SEBI that mandate cyber security control requirements? <u>Yes, all controls in place</u>		
Is the AI & ML system included in the system audit, if applicable? ☐ Yes ☒ No ☐ NA		
Describe the application/system and how it uses AI & ML as portrayed in the product offering <u>Used in advisory</u>	What safeguards are in place to prevent abnormal behavior of the AI & ML application / system <u>Logging and Checkers</u>	

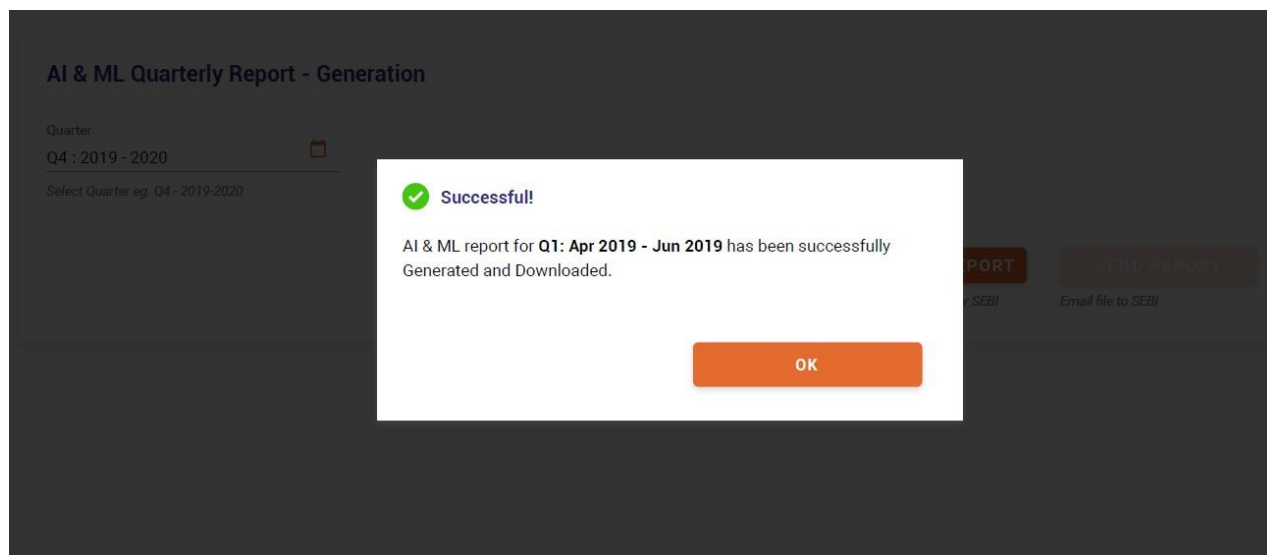
+ Add Row

Delete Row

Note:

- All fields are **mandatory**
- Fields are pre-filled based on previous submission
- Add/Delete system details

2.9 Success msg pop-up after submission completion



Note:

Email notification is sent post successful submission

3 Frequently Asked Questions

- Q. Am I required to do the AI & ML submission, even when I don't use AI & ML technology?
- A. Yes, in this case you are required to complete the AI & ML submission by selecting NIL submission. Your NIL submission will be carried over to the subsequent quarter unless replaced with Data submission
- Q. If I no longer use a system based on AI & ML technology, should I include that in my AI & ML submission this quarter?
- A. No, only the details for actively used systems should be submitted in the quarterly AI & ML submission, if any system is decommissioned then the entry for the same must be deleted during submission.
- Q. What systems details are required to be submitted in AI & ML Data submission?
- A. Please refer to circular Ref. NSE/COMP/40174 dated February 07, 2019 to know the system details required to be submitted in AI & ML submission.