

## Annexure A

### Financial disincentive structure for technical glitch incidents at stock brokers' electronic trading system:

Sr. No.	Instances of technical glitches	Financial disincentives	
		Specified stock brokers	All other applicable stock brokers
A) Technical Glitch continuing for <u>more than 15 minutes</u> during financial year:			
i	6 <sup>th</sup> glitch incident onwards	<p>For every instance Rs. 25,000/-</p> <p>It will progressively increase by Rs.25,000/- for subsequent instances.</p> <p>Additionally, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.</p>	<p>For every instance Rs. 10,000/-</p> <p>It will progressively increase by Rs.5,000/- for subsequent instances.</p> <p>Additionally, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of noncompliance shall decide on additional disciplinary actions.</p>
ii	From 7 <sup>th</sup> glitch incident to 10 <sup>th</sup> glitch incident occurred during financial year: The progressive financial disincentive provision will continue.		
iii	11 <sup>th</sup> incident onwards	<p>Progressive financial disincentive shall be applicable as per the above provisions.</p> <p>In addition to the financial disincentive already levied as per the above provisions, on-boarding of new clients (exchange wise /segment wise depending on nature of glitches) shall be stopped till stock exchange analyses RCA and satisfies itself about corrective measures taken or, 15 days from glitch whichever is higher.</p> <p>Additionally, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.</p>	<p>Progressive financial disincentive shall be applicable as per the above provisions.</p> <p>In addition to the financial disincentive applicable as per the above provisions, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of non-compliance shall decide on the disciplinary actions.</p>

Sr. No.	Instances of technical glitches	Financial disincentives	
		Specified stock brokers	All other applicable stock brokers
B) Other financial disincentive (in cases of technical glitches occurred)			
i	Failure to report technical glitch incident to Exchange	Rs.5 lac	Rs.1 lac
ii	Failure to submit the preliminary incident report to the Exchange by T+1 day (However, if T+1 day falls on a trading holiday; submission may be done on next trading day)	Rs. 50,000/-, plus Rs. 25,000/- per day till failure continues subject to maximum of Rs.5 lac.	Rs. 20,000/-, plus Rs. 5,000/- per day till failure continues subject to maximum of Rs.1,00,000/-.
iii	Failure to submit RCA within 14 working days	Additionally, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.	Additionally, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.
iv	Failure to set up DR site as per the provisions	Rs.2 lac	Rs. 20,000/-
v	Failure to restore operations by moving to DR site within Recovery Time Objective.	Rs.1 lac	Rs. 20,000/-
vi	Failure to conduct DR drill/live trading from DR site as per the provisions	Rs. 1 lac, plus Rs. 50,000/-for every month during which failure continues subject to maximum of Rs.5 lac per instance.  Additionally, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.	NA

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