

**PENALTIES/DISCIPLINARY ACTION(S)/CHARGES FOR NON-COMPLIANCE WITH THE
PROVISIONS OF ENHANCED SUPERVISION GUIDELINES ***

Sr.No.	Particulars	Penalty/Disciplinary Action/Charges
1	Failure to furnish correct Net worth certificate to Exchange within 60 days for half year ending 30 th September and half year ending 31 st March (unaudited).	Submission after due date:- 1. Charges of Rs. 200/- per day for 1st Month after the due date. 2. Charges of Rs. 500/- per day for 2nd month after due date till date of submission or disablement. 3. Non submission within 2 months from the due date: Disablement of trading facility across segments after giving 2 weeks' notice. The disablement notice issued to the member shall be shared with all the Exchanges for information.
2	Failure to furnish Internal Audit report to Stock Exchanges for half year ending 30 th September by 30 th November and half year ending 31 st March by 31 st May.	Submission after due date:- 1. For 1st month after due date, Charges of Rs. 200/- per day 2. Charges of Rs. 500/- per day from 2nd month after due date till date of submission or disablement 3. Non submission within 3 months from the due date: Disablement of trading facility across segments after giving 2 weeks' notice. The disablement notice issued to the member shall be shared with all the Exchanges for information.

Sr.No.	Particulars	Penalty/Disciplinary Action/Charges
3	Failure to furnish Annual Audited Accounts/ returns by 31 st October of the relevant year.	Submission after due date :- 1. Charges of Rs. 200/- per day for 1st Month from the due date 2. Charges of Rs. 500/- per day for 2nd month after due date till date of submission or disablement. 3. Non submission within 2 months from the due date: Disablement of trading facility across segments after giving 2 weeks' notice. The disablement notice issued to the member shall be shared with all the Exchanges for information.
4	Failure to submit data for the half yearly Risk Based Supervision (to any of the Exchanges) within the time specified by Exchange.	Submission after due date :- Within 5 days – Charges of Rs. 10,000/- After 5 days but before 15 days – Charges of Rs.10,000 + Additional Rs.2,000/- per day (from the 6th day till the 15th day from the end of the due date) After 15 days from the due date – Additionally, Trading members will not be allowed to register any new clients in Exchange UCC database. (This will be implemented across the Exchanges even if the data is not submitted to any of the Exchanges. Registration of new clients will be allowed only after data is submitted to all Exchanges.) After 45 days from the due date:- Disablement of trading facility across segments after giving 2 weeks' notice. Enablement of trading facility will not be allowed till the data is submitted to all the Exchanges. The disablement notice issued to the member shall be shared with all the Exchanges for information.

Sr.No.	Particulars	Penalty/Disciplinary Action/Charges
5	a) Failure to assign appropriate Bank and Demat nomenclature within the time specified b) Non-submission/incorrect submission of PAN of Key Managerial Personnel (KMPs)/Directors/dealers etc. within the time specified	Penalty of Rs.5,000/- per annum and warning to be issued to Member and direction to assign appropriate nomenclature and intimate such details to the Exchange.
6	Failure to report new bank and demat accounts opened by the member to Exchanges within the time specified for reporting of such accounts.	Penalty of Rs.5,000/- per annum and warning to be issued to Member and direction to report such details to the Exchange.

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7	Non submission/ late submission of data towards monitoring of client funds	➤ <u>Delay/non-submission in case of monthly submission</u> 1. Submission within 10 calendar days from the due date – Rs. 500/- per day 2. Submission beyond 10 calendar days from the due date – Rs. 1000/- per day In case of non-submission for consecutive 2 months – New client registration to be prohibited. In case of non-submission for consecutive 3 months – Disablement of trading facility across segments after giving 2 weeks' notice. ➤ <u>Delay/non-submission in case of weekly submission :</u> 1. Submission within 10 calendar days from the due date – Rs. 500/- per day 2. Submission beyond 10 calendar days from the due date – Rs. 1,000/- per day In case of non-submission for consecutive 4 weeks – New client registration to be prohibited. In case of non-submission for consecutive 8 weeks – Disablement of trading facility across segments after giving 2 weeks' notice.

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8	Non submission/ late submission of data towards upload of client funds & security balances.	Disciplinary action shall be based on the clientele size of the members as under: <table><tr><td>Below 5000 clients</td><td>Rs. 10,000/- per month</td></tr><tr><td>Between 5000-10000 clients</td><td>Rs. 25,000/- per month</td></tr><tr><td>Between 10000-50000 clients</td><td>Rs. 1,00,000/- per month</td></tr><tr><td>Above 50000 clients</td><td>Rs. 200,000/- per month</td></tr></table> In case of non-submission for consecutive 2 months – Disablement of trading facility across segments after giving 2 weeks’ notice.	Below 5000 clients	Rs. 10,000/- per month	Between 5000-10000 clients	Rs. 25,000/- per month	Between 10000-50000 clients	Rs. 1,00,000/- per month	Above 50000 clients	Rs. 200,000/- per month
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Between 10000-50000 clients	Rs. 1,00,000/- per month									
Above 50000 clients	Rs. 200,000/- per month									
9	Incomplete submission of data towards enhanced supervision- Monitoring of client funds & upload of client funds & security balances.	To be treated at par as non-submission of data by the Member and penalty shall be levied accordingly.								
10	Material wrong submission or incorrect submission of data towards enhanced supervision- Monitoring of client funds & upload of client funds & security balances.	Penalty may vary from warning to Rs. 1 lac on case to case basis.								

* Issued by SEBI vide circulars Ref.no SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016 and clarification circulars Ref.no. CIR/HO/MIRSD/MIRSD2/CIR/P/2017/64 dated June 22, 2017 and Ref.no. CIR/HO/MIRSD/MIRSD2/CIR/PB/2017/107 dated September 25, 2017.