

National Stock Exchange Of India Limited

Department : Inspection

Download Ref No: NSE/INSP/46509

Date : December 01, 2020

Circular Ref. No: 75/2020

All Members,

Sub: Cyber Security and Cyber Resilience Audit of Trading Members (Type-III)

In accordance with SEBI circular no. SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018, SEBI/HO/MIRSD/DOP/CIR/P/2019/109 dated October 15, 2019 and Exchange circular no. NSE/INSP/41723 dated July 26, 2019 in relation to Cyber Security & Cyber Resilience framework for Stock Brokers / Depository Participants, trading members using algorithm software (Type – III) are required to conduct cyber security and cyber resilience audit for the period April 01, 2020 to September 30, 2020 and submit the report to the Exchange as per the following timelines:

Audit Period	Last Date		
	Preliminary Audit Report submission	Action taken Report (ATR) submission (if applicable)	Follow-on Audit Report submission (if applicable)
Half Yearly (April 2020-September 2020)	January 31, 2021	April 30, 2021	July 31, 2021

The link for the submission of Cyber Security Audit report has been activated. The procedure for submitting the report by member and auditor through ENIT module in the Member portal is provided in Annexure- A and Annexure-B respectively.

Submission of Cyber Security and Cyber Resilience audit report shall be considered complete only after trading member submits the report to the Exchange after providing management comments.

The following penalty/disciplinary actions would be initiated against the Member for late/non-submission of Cyber Security and Cyber Resilience Audit Report.

Particulars	Action
Submission within 1 month from the end of due date of submission.	Penalty of Rs. 200/- per day
Submission after 1 month but within 3 month from the end of the due date for submission.	Penalty of Rs. 500/- per day
Non-Submission within 3 months from the end of due date for submission.	Disablement of trading facility across segments after giving 2 weeks notice. Disablement notice issued to the member shall be shared with all the Exchanges for information. Member will be enabled only after submission of system audit report.

Trading members shall comply with any non-compliance/ non-conformities (NCs) pending for Cyber Security and Cyber Resilience Audit Report for the previous audit period by submitting ATR and/or Follow-on audit report as the case may be through ENIT.

All members are advised to take note of the above and comply.

For and on behalf of
National Stock Exchange of India Limited

Subhankar Chowdhury
Senior Manager-Inspection

Enclosure:

Annexure A – User guide for Member to submit Cyber Security Audit Report
Annexure B – User guide for Auditor to submit Cyber Security Audit Report
Annexure C – Auditor Selection Norms
Annexure D – Terms of Reference (TOR) for System Audit

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

Regional Office	E MAIL ID
Ahmedabad (ARO)	inspectionahm@nse.co.in
Chennai (CRO)	inspection_cro@nse.co.in
Delhi (DRO)	delhi_inspection@nse.co.in
Kolkata (KRO)	inspection_kolkata@nse.co.in
Mumbai (WRO)	compliance_wro@nse.co.in
Central Help Desk	compliance_assistance@nse.co.in