National Stock Exchange of India Limited

Circular

DEPARTMENT: INSPECTION	
Download Ref No: NSE/INSP/60481	**Date: January 31, 2024**
Circular Ref. No: 12/2024	

To All Trading Members,

Sub: Submission of Action Taken Report Pertaining to System Audit & Cyber Security and Cyber Resilience Audit of Trading Members

This is with reference to Exchange circular no.: NSE/INSP/58999 dated October 19, 2023, and Exchange circular no.: NSE/INSP/59042 dated October 20, 2023, regarding submission of System Audit Report & Cyber Audit and Cyber Resilience Audit of Trading Members.

Trading Members are required to take corrective action for each non-compliance reported by auditor and submit Action Taken Report for said non-compliances. On review of details of corrective action submitted by trading member, the auditor shall submit the status of compliance as Compliant or Non-Compliant on ENIT though ATR, as per below mentioned timelines.

Audit Period	Last date for Submission
Half Yearly (April 23 - September 23)	Action Taken Report (ATR) (If Applicable)
	February 29, 2024

The link for submission of Action Taken Report is available on ENIT.

The guidelines to submit the Action Taken Report pertaining to System Audit & Cyber Security and Cyber Resilience Audit have been provided in **Annexure - A.**

Further, trading members are requested to take note of the Exchange circular NSE/INSP/58755 dated October 05, 2023, regarding "Revised Penalties/disciplinary action(s)/charges for System Audit Report and Cyber Security & Cyber Resilience Audit Report related submissions". The details of Penalties/disciplinary action(s)/charges have been provided in **Annexure - B**.

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

For and on behalf of
National Stock Exchange of India Limited

Ajinkya Nikam
Senior Manager- Inspection

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

Regional Office	**CONTACT NO.**	**E MAIL ID**
Ahmedabad (ARO)	079- 49008632	inspectionahm@nse.co.in
Chennai (CRO)	044- 66309915 /17	inspection_cro@nse.co.in
Delhi (DRO)	011- 23459127 / 38 / 46	delhi_inspection@nse.co.in
Kolkata (KRO)	033-40400455/ 59	inspection_kolkata@nse.co.in
Mumbai (WRO)	022-26598200/022-61928200	compliance_wro@nse.co.in
Central Help Desk	compliance_assistance@nse.co.in	

Annexure - A

Guidelines to submit the Action Taken Report pertaining to System Audit, Cyber Security and Cyber Resilience Audit.

A) Submission of Action Taken Report by Member

1) After clicking on **ENIT-NEW-TRADE**, kindly follow below path to submit Action Taken Report

Cyber Audit: - Trade > Cyber Security > Cyber Security Member MIS – for Cyber Security Action Taken Report

System Audit: - Trade > System Audit > Member MIS – for System Audit Action Taken Report

Figure 1:Path to access Cyber Security Member MIS tab

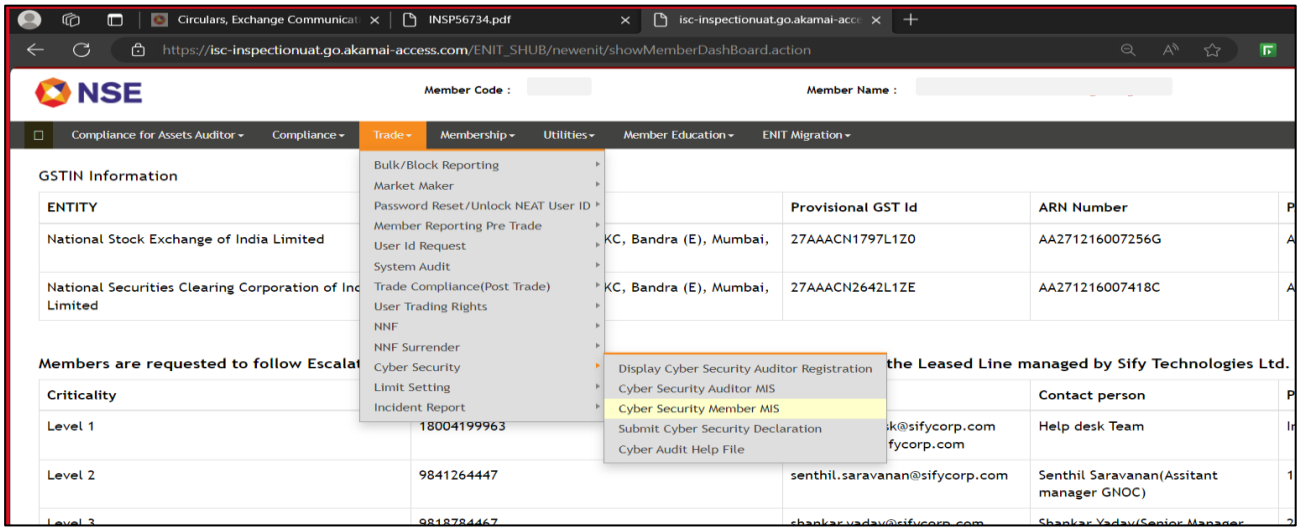
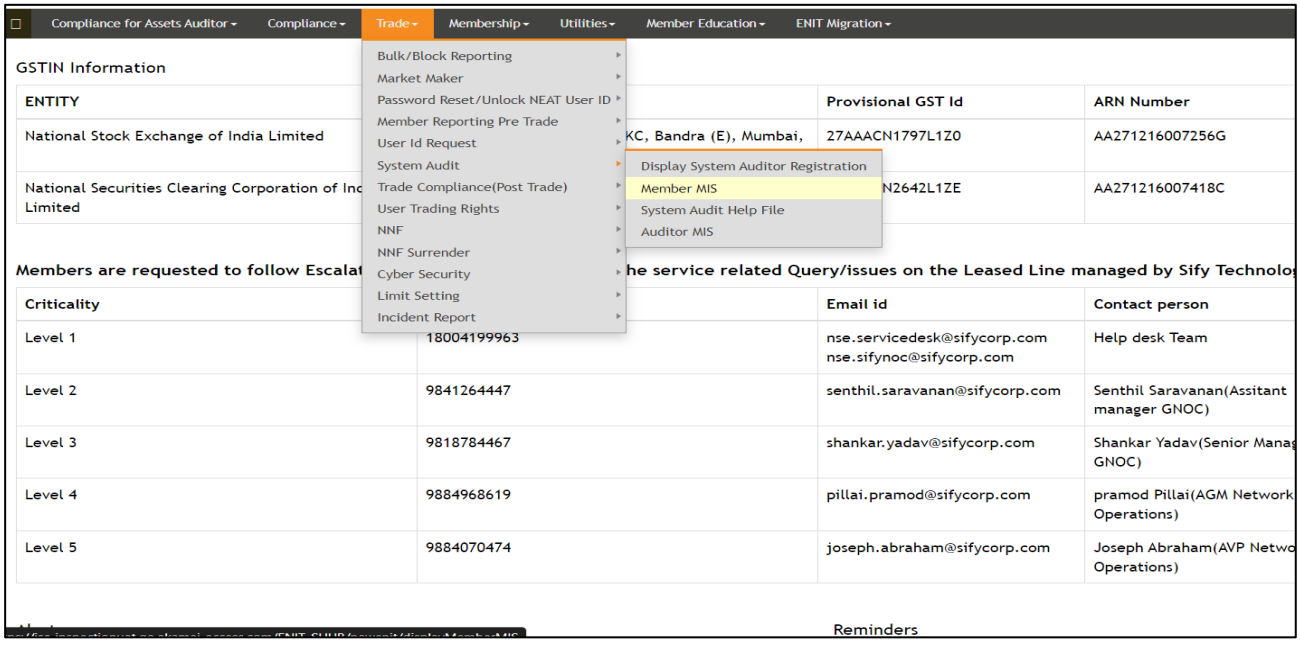
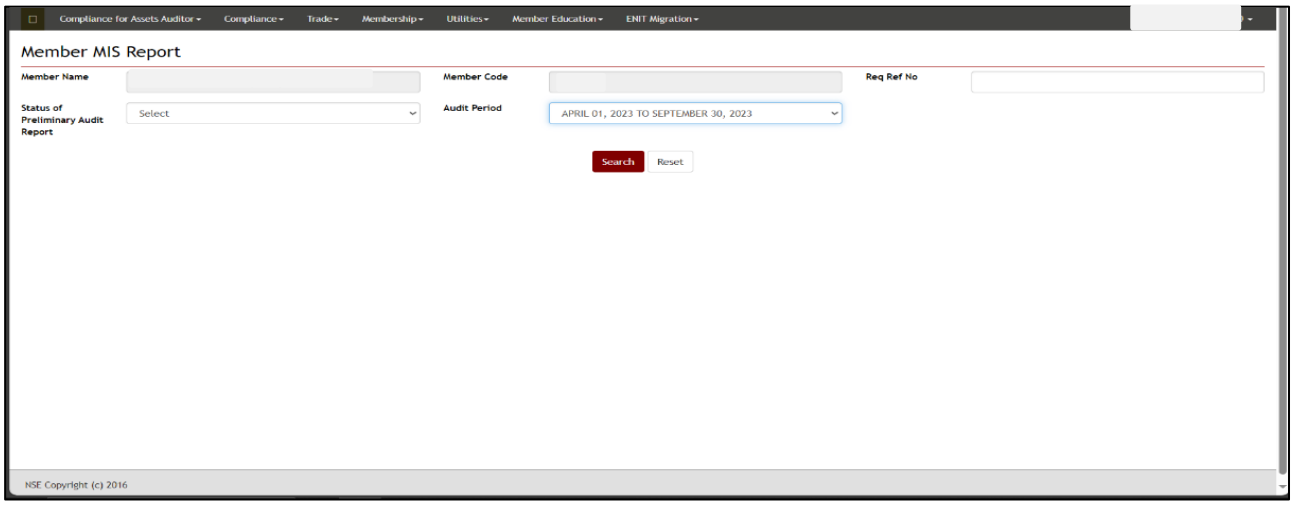


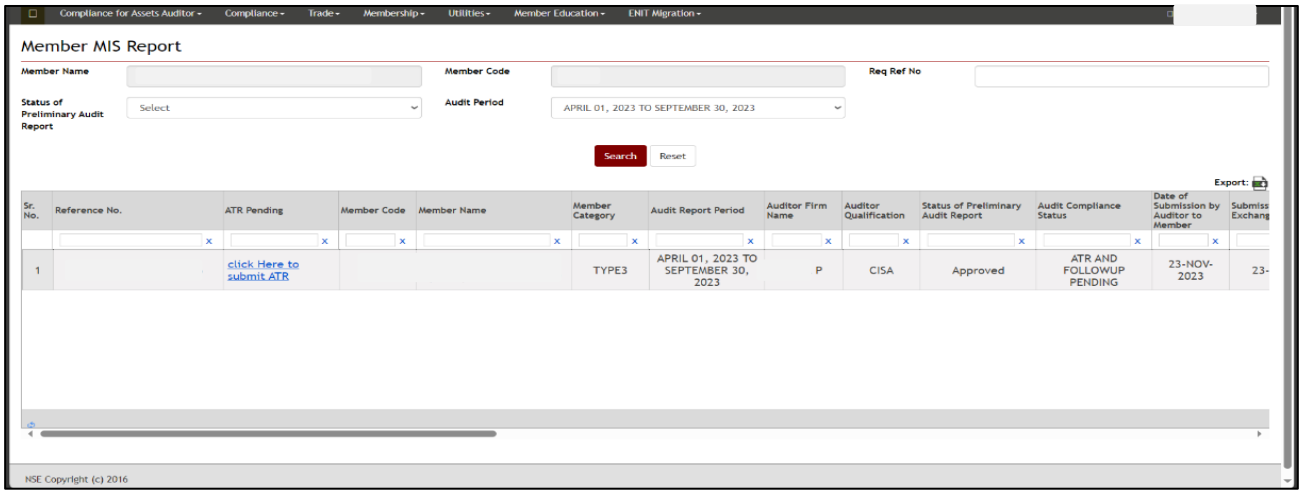
Figure 2: Path to access System Audit Member MIS tab



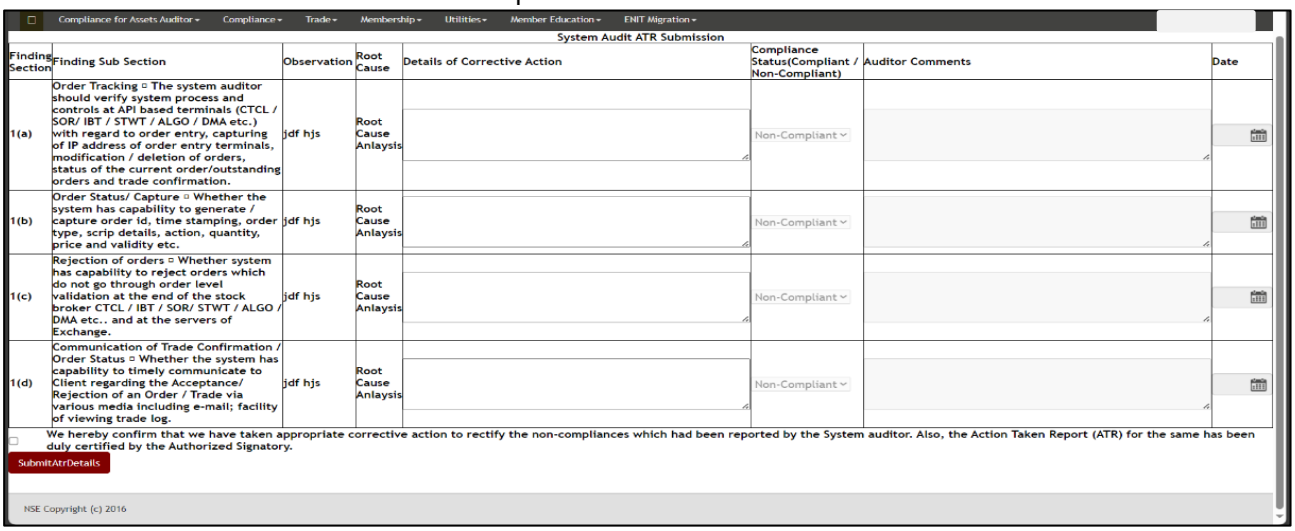
2) On Clicking **Member MIS** / **Cyber Security Member MIS** following screen will be displayed. Select appropriate audit period and click on **Search** button.



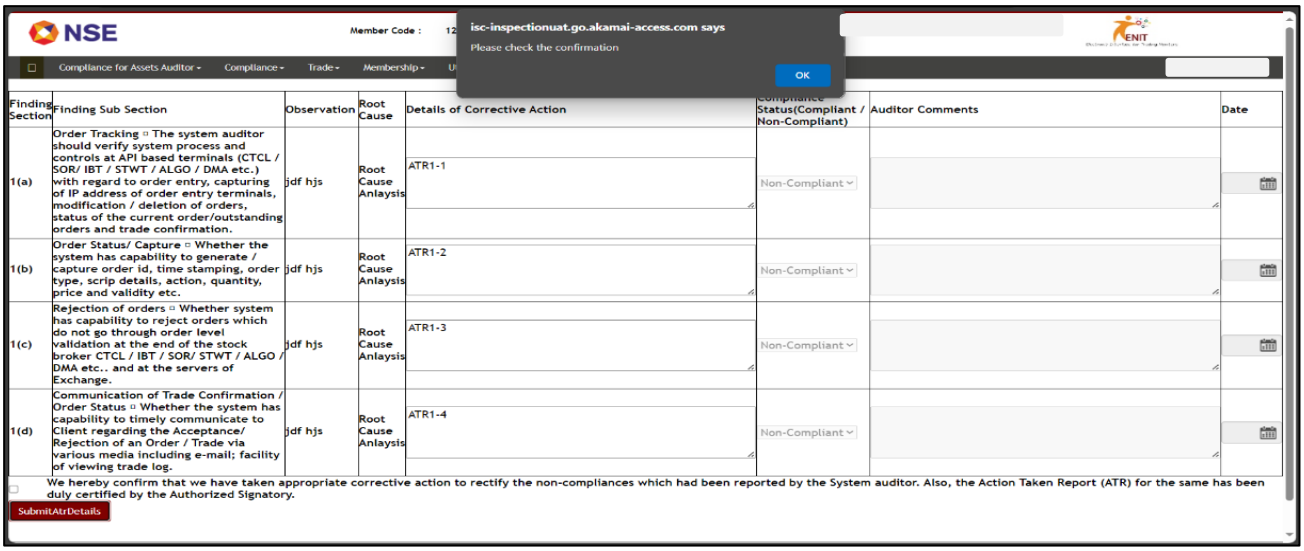
3) After clicking Search button below screen will be displayed. Select '**click Here to submit ATR'** link.



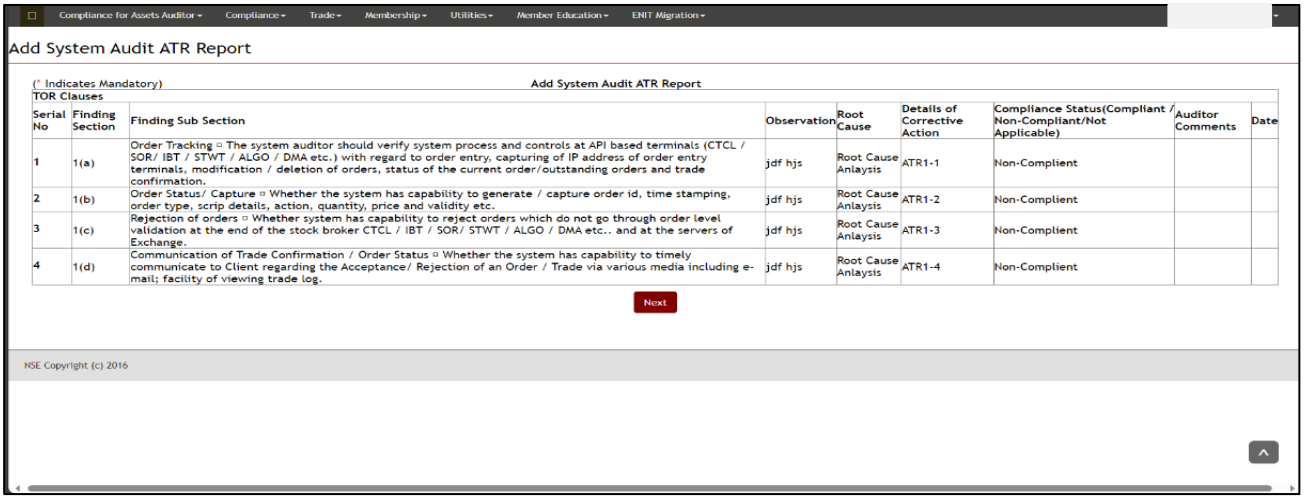
4) After clicking on the link following screen will be displayed. Member must provide details of corrective action for all the non-compliances shown.



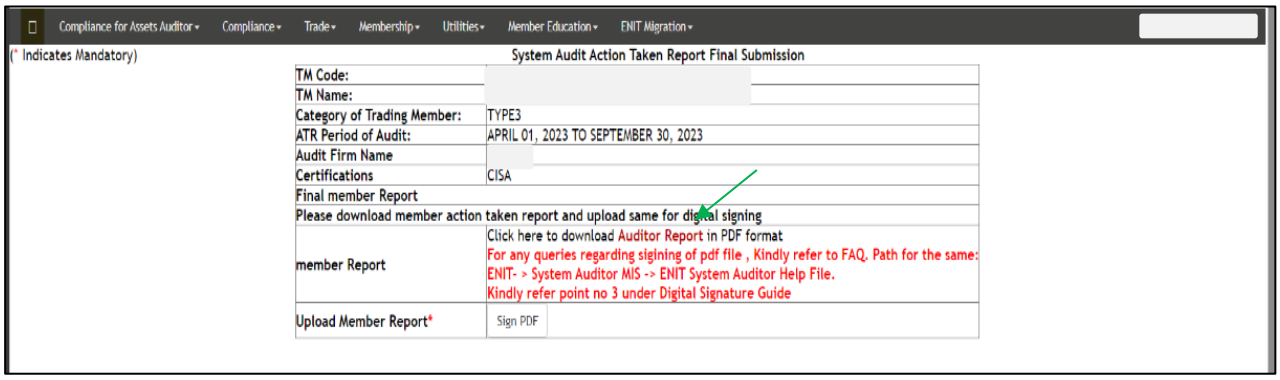
5) Click on confirmation check box, then click on '**Submit ATR Details**' button.



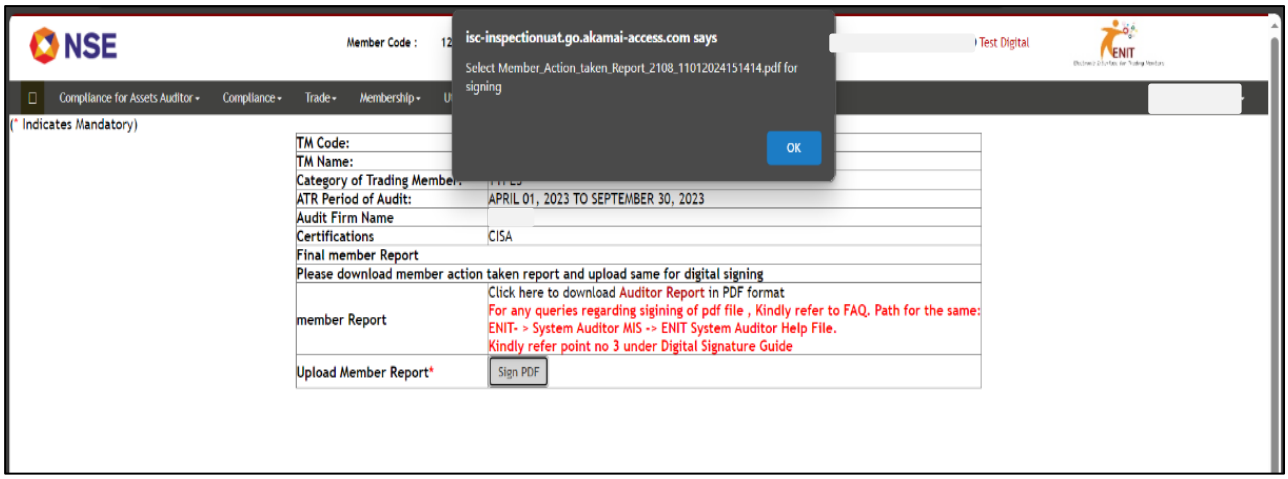
6) Following verification page opens after clicking on 'Submit ATR Details' button. Check details entered and select **'Next'** button.

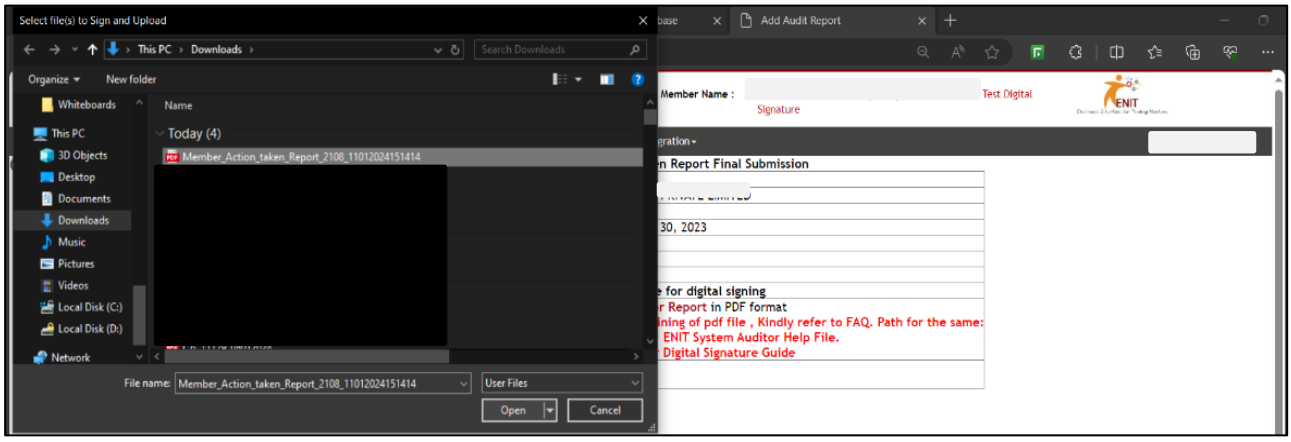


7) Click on '**Auditor Report**' link to download PDF file of ATR.

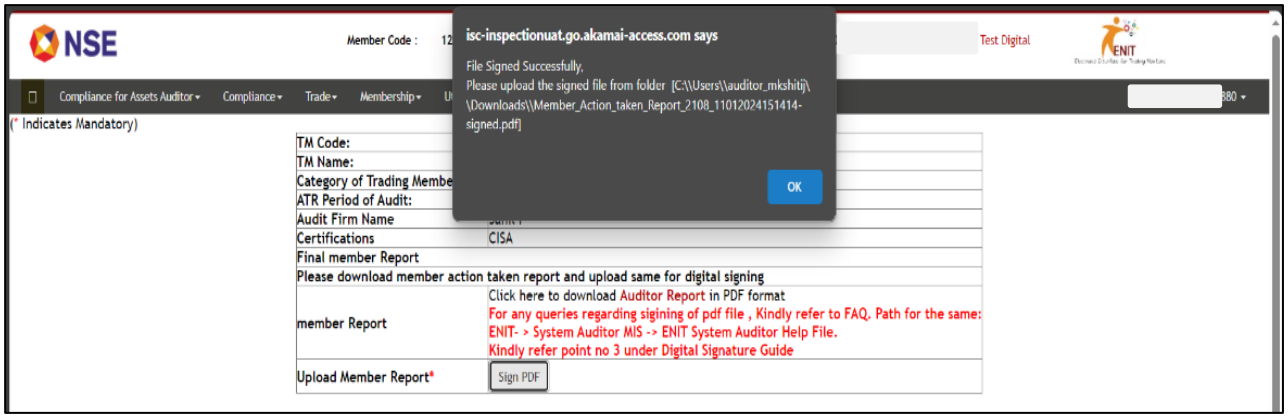


Once file is downloaded, click on **Sign PDF** button, and select the ATR file downloaded.

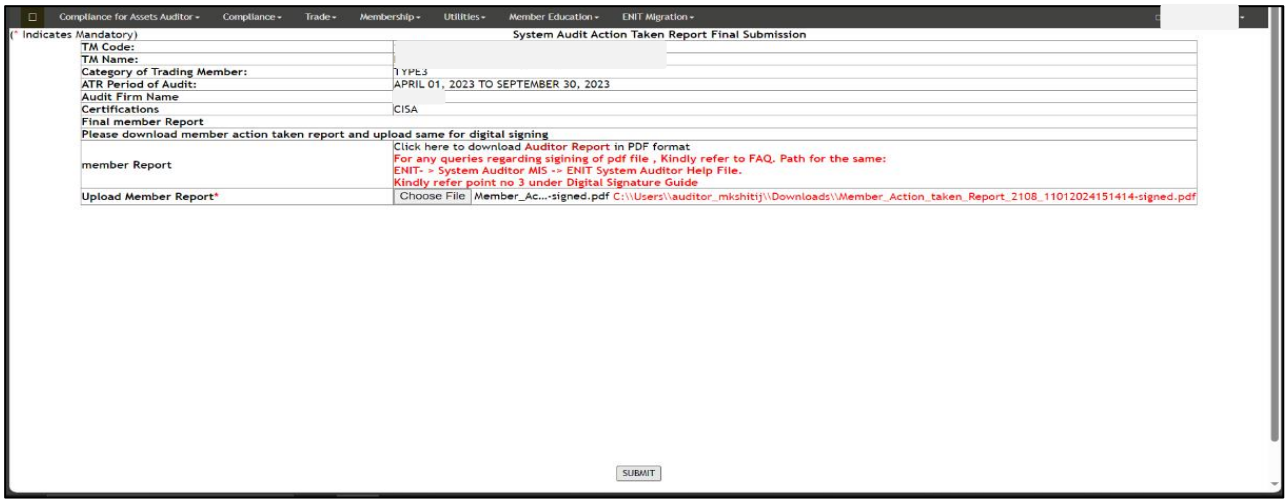




8) 'File Signed Successfully.' Dialog box will appear. Signed file will be present in 'signedfile' folder. Rename the signed ATR file by Adding '**-signed'** at the end of original file name.



Click on '**Choose File**' button and select the renamed signed file. Click on '**SUBMIT**' button to submit the ATR at Members End.



Note: -

1. **Please Note that the process for submission of Action taken Report is same for System and Cyber Audit report and as shown above.**

2. **Submission of Action Report shall be considered complete only after Auditor submits the report to the Exchange.**

B) Submission of Action Taken Report by Auditor.

1) After clicking on **ENIT-NEW-TRADE**, kindly follow below path to submit Action Taken Report

Cyber Audit: - Trade > Cyber Security > Cyber Security Auditor MIS – for Cyber Security Action Taken Report

System Audit: - Trade > System Audit > Auditor MIS – for System Audit Action Taken Report

Figure 3:Path to access Cyber Security Auditor MIS tab

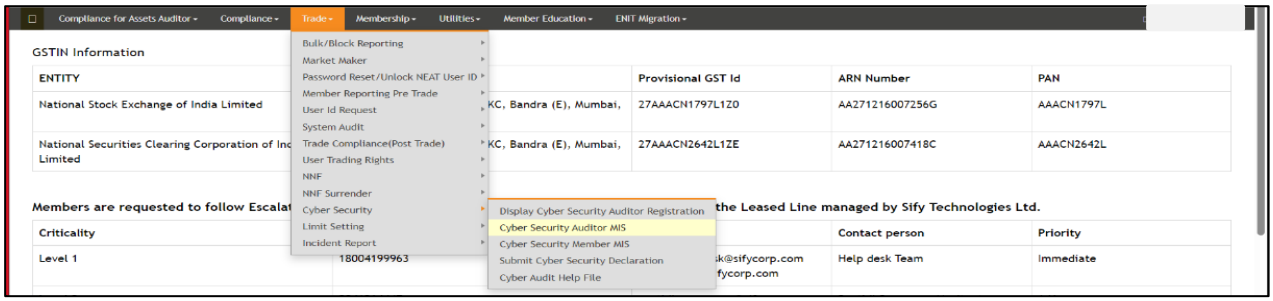
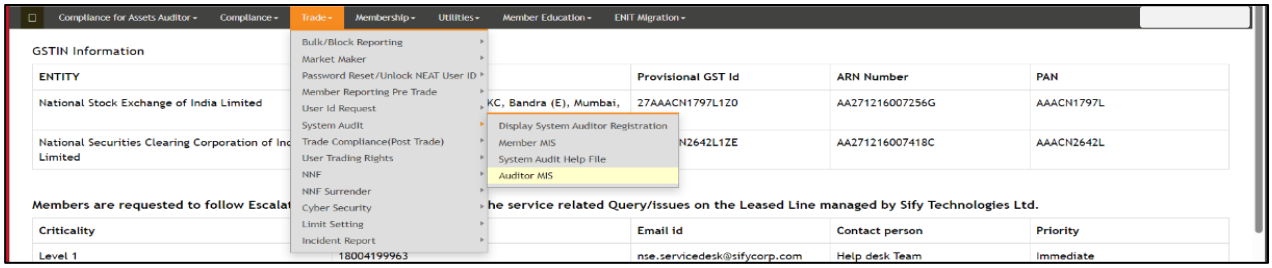
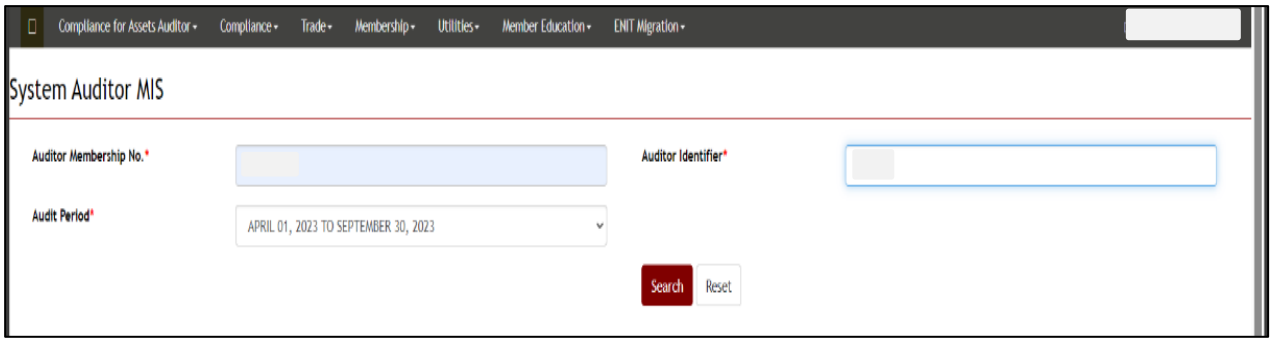


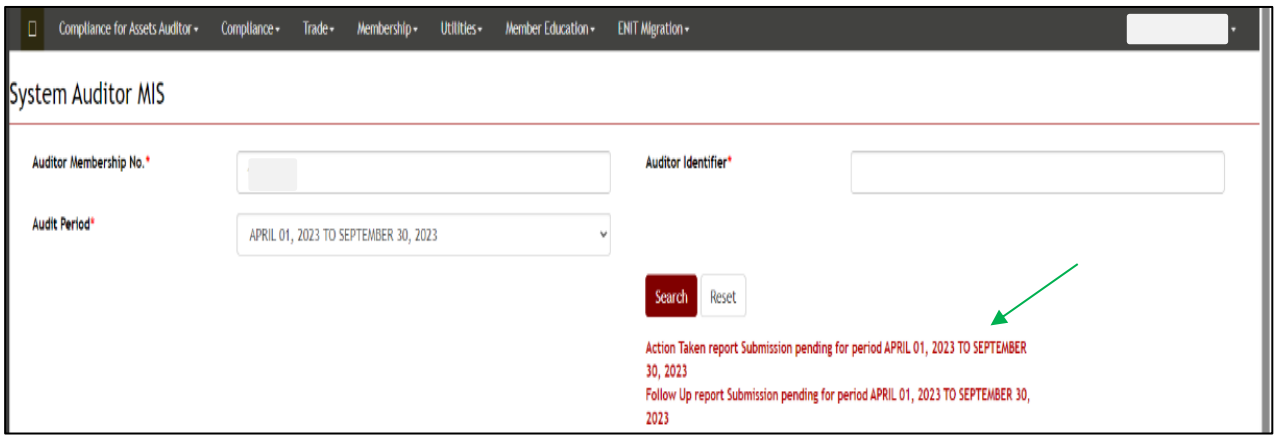
Figure 4: Path to access System Auditor MIS tab



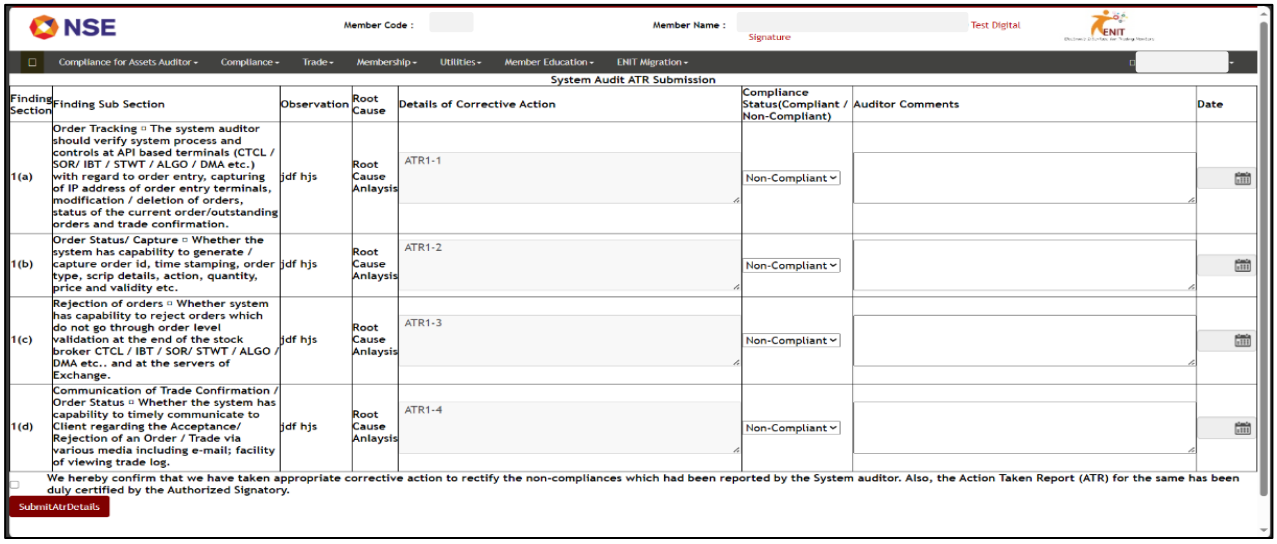
2) On Clicking Auditor MIS below screen will be displayed, select appropriate audit period, and enter **Auditor Membership No** and **Auditor Identifier** used during submission of preliminary audit report. Click on '**Search**' button.



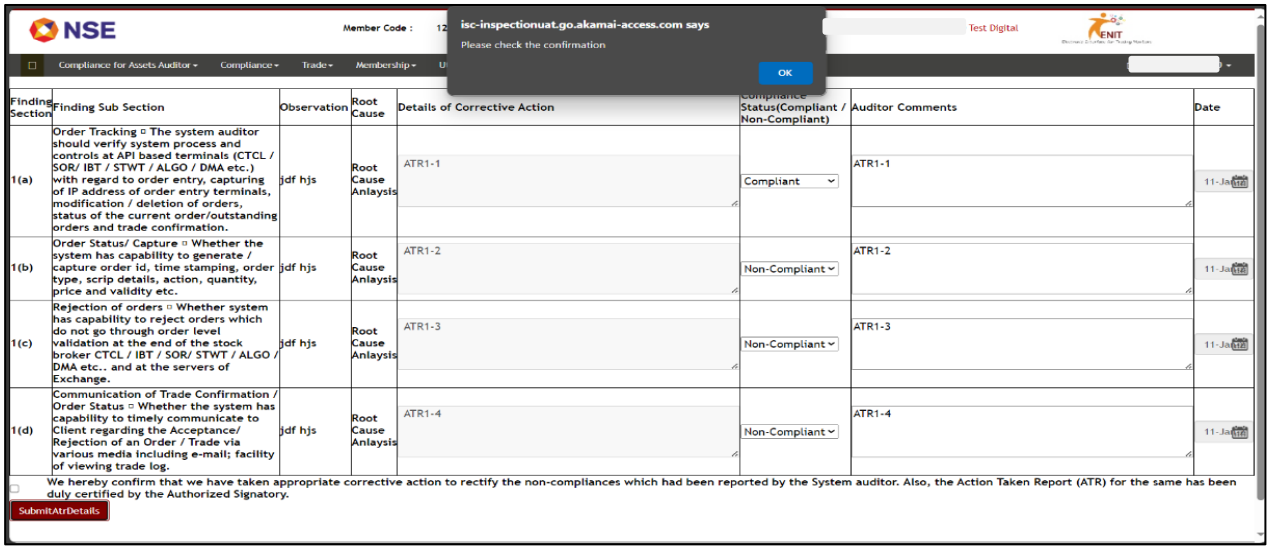
3) Click on '**Action Taken Report Submission pending for period APRIL 01, 2023, to SEPTEMBER 30, 2023**' link to proceed further with submission.



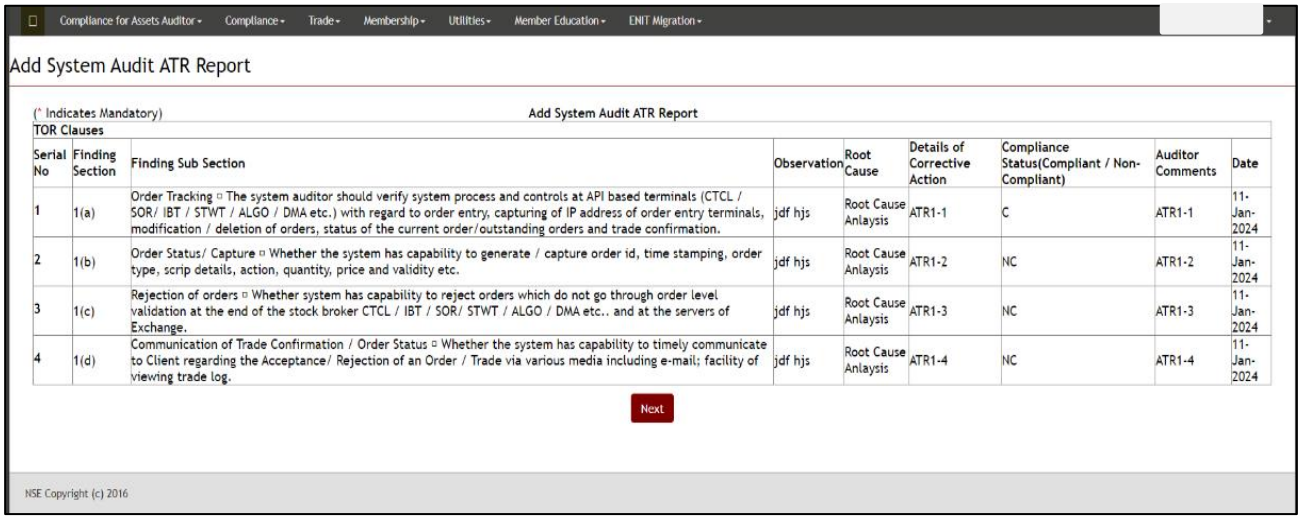
4) On Clicking the link, following screen will appear. Auditor must provide **status** of compliance, **Auditor's Comments** and **Date** for all the Non-compliances shown.



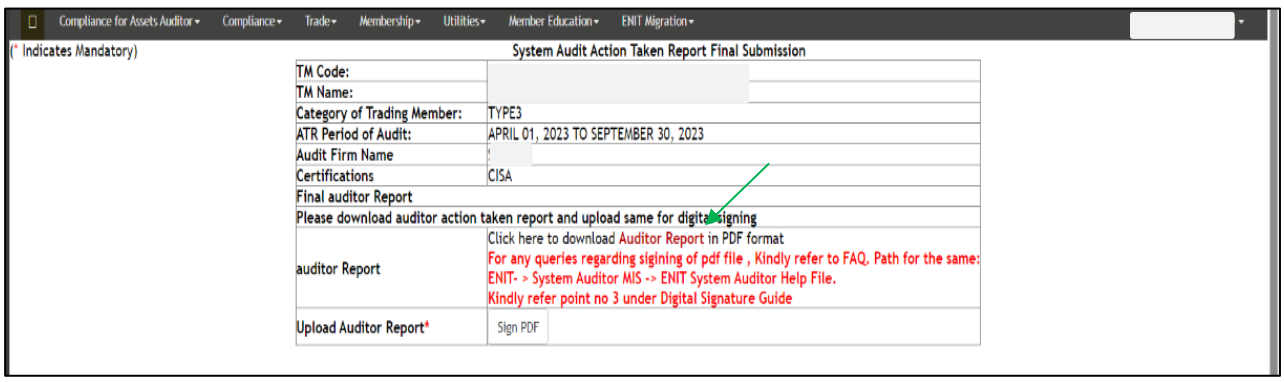
5) Click on confirmation check box before clicking on '**Submit ATR Details'** button.



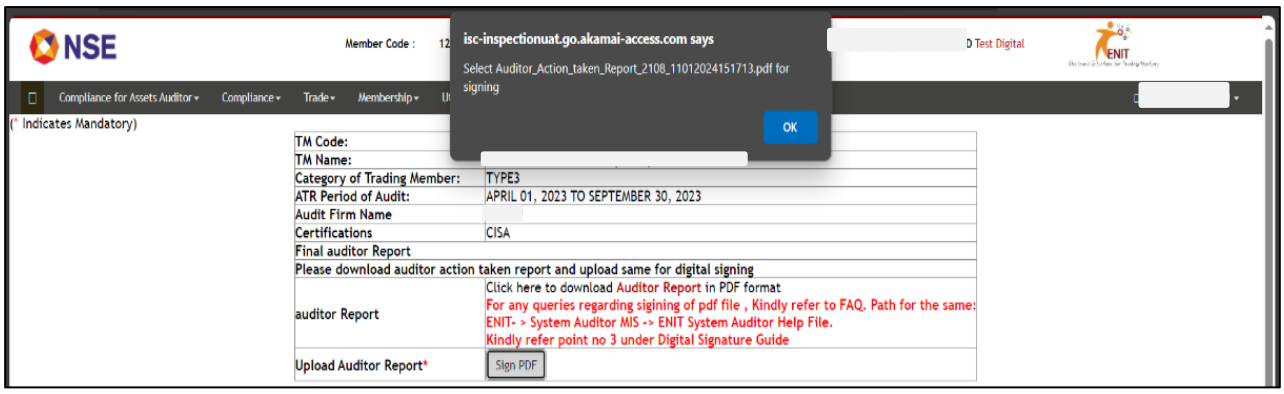
6) Following verification page opens after clicking on '**Submit ATR Details'** button. Check details entered before clicking on '**Next**' button.

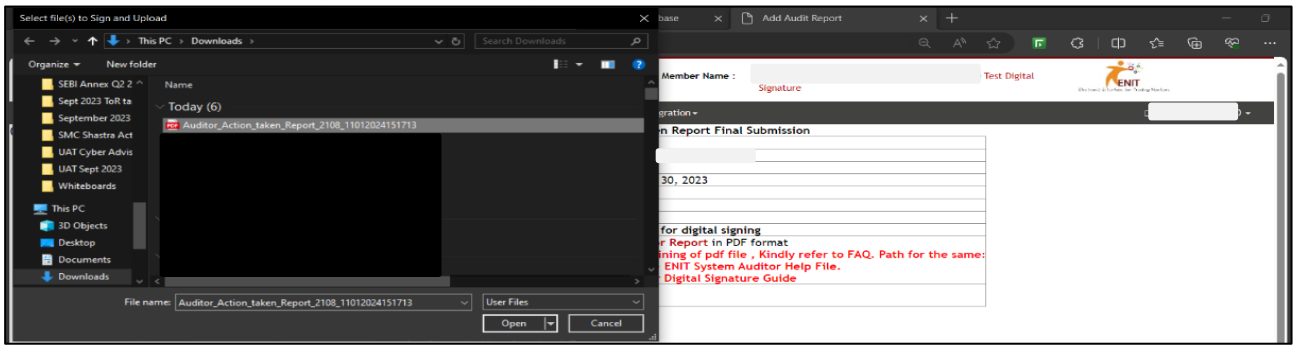


7) Click on '**Auditor Report'** link to download PDF file of ATR.



Once file is downloaded click on '**Sign PDF**' button and select the ATR file downloaded.





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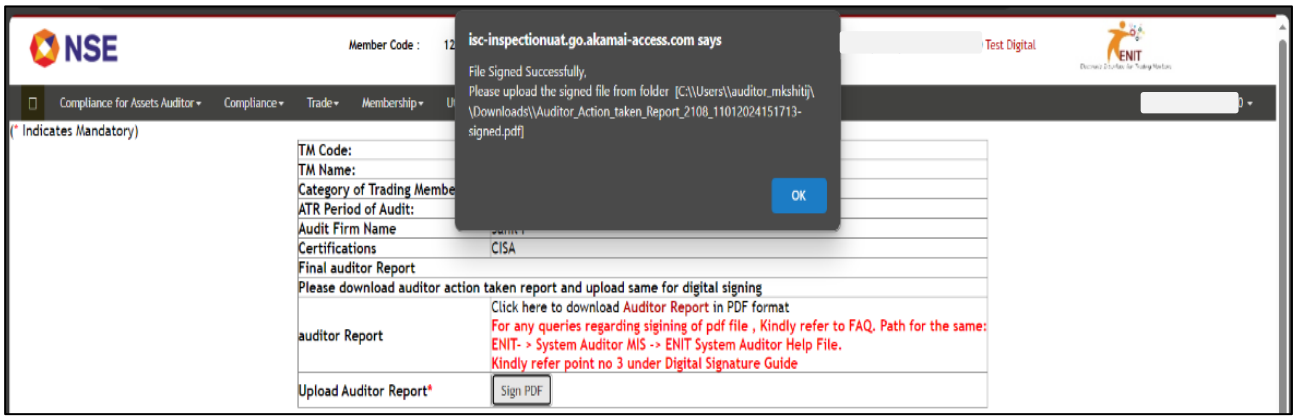
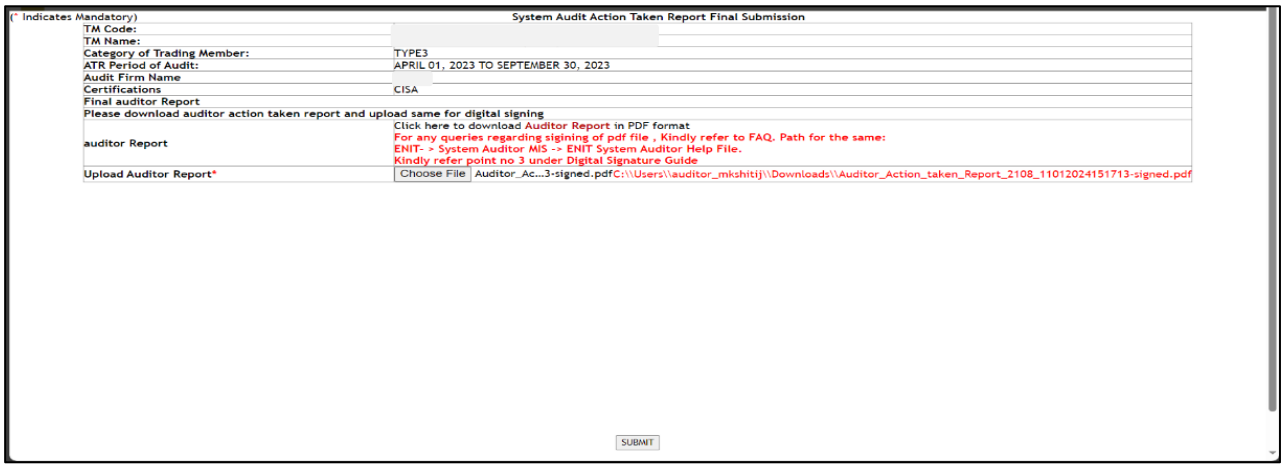


Click on '**Choose File**' button and select the renamed signed file. Click on '**SUBMIT**' button to submit the ATR at Auditors End.



Note: -

1. **Please Note that the process for submission of Action taken Report is same for System and Cyber Audit report and as shown above.**

2. **Submission of Action Report shall be considered complete only after Auditor submits the report to the Exchange.**

Annexure - B

Table – A - Penalty/disciplinary action for Delay/Non-submission of Action Taken Report.

The following penalty/disciplinary actions as provided in Table A would be initiated against the Trading Member for Delay/Non-submission of Action Taken Report.

Details of Violation	**Period of violation**	**Penalty/disciplinary actions**	**Penalty/disciplinary action in case of repeated violation**
Delay/Non-Submission of ATR in case of System audit report /Cyber Security and Cyber Resilience audit report.	From 1st dayto 7th day:	Charges Rs. 1,500/- per day for Non QSB & Rs. 3,000/- per day for QSB fromthe due date till first 7 calendar days or submission of report, whichever is earlier.	In case of a repeat instance by the Member, levy of applicable monetary penalty along with an escalation of 50%.
	From 8th day to 21st day:	Charges of Rs. 2,500/- per day for Non QSB & Rs. 5,000/- per day for QSB from 8th calendar day after the due date to 21st calendar day or submission of report, whichever is earlier.	Levy of applicable monetary penalty along with an escalation of 50%.
	From 22nd day onwards:	In case of non-submission of report till 21st calendar days, new client registration shall be prohibited and notice of 7 calendar days for disablement of trading facility till submission of report, shall be issued. The disablement notice issued to the trading member will be shared with all the Exchanges for information.	
	After 28th day:	In case of non-submission of report by 28th calendar day,Trading member shall be disabled in all segments till submission of report.	

Table – B - Penalty/Disciplinary action for non-closure of observations reported in System Audit Report & Cyber Security and Cyber Resilience Audit Report

Trading members are also required to submit closure status of all the non-compliances reported in System Audit & Cyber Security and Cyber Resilience Audit by submitting Action Taken Report (ATR) i.e., within 3 months from the due date of submission of Preliminary Audit Report. In order to ensure strict adherence forclosure of non-Compliances within the prescribed timelines, following penalty shall be Applicable for each High/Medium/Low risk non-compliance, which has not been closed in ATR as per prescribed timelines.

Risk rating reported by auditor	**Applicable penalties for each High/Medium/Low risk non-closure of non-Compliances, which have not been closed in ATR (i.e., within prescribed timelines of submission of due date of preliminary audit report)**			
	Non QSB Members		**QSB Members**	
	System Audit Report	**Cyber Audit Report**	**System Audit Report**	**Cyber Audit Report**
High Risk	₹ 15,000	₹ 50,000	₹ 30,000	₹ 100,000
Medium Risk	₹ 7,500	₹ 25,000	₹ 15,000	₹ 50,000
Low Risk	₹ 2,500	₹ 5,000	₹ 5,000	₹ 10,000
○ In case observations are not closed by members within three weeks from the due date for submissionof Action Taken Report (ATR), new client registration to be prohibited and notice of 7 days for disablement of trading facility till closure of observation(s). ○ The disablement notice issued to the member shall be shared with all the Exchanges for information. In case of non-closure of observation(s) within four weeks from the due date of submission of ATR,Member shall be disabled in all segments until closure of observations(s).				