

National Stock Exchange of India Limited

Circular

| DEPARTMENT: INSPECTION | |
|---------------------------------|--------------------------|
| Download Ref No: NSE/INSP/63908 | Date: September 12, 2024 |
| Circular Ref. No: 64/2024 | |

To All Trading Members,

Sub: Submission of VAPT Report and/or Action Taken Report (ATR)/Compliance Report

This is with reference to SEBI Circular No-SEBI/HO/MIRSD/TPD/CIR/2022/80 dated June 07, 2022, and Exchange Circulars NSE/INSP/53387 dated August 23, 2022, NSE/INSP/54708 dated December 2, 2022; NSE/INSP/56097 dated March 22, 2023 & NSE/INSP/56927 dated June 01, 2023, regarding Submission of VAPT report and/or VAPT compliance report through member portal by all members.

Trading Members are requested to conduct and complete the VAPT during the period September to November for FY 2024-25, in accordance with paragraph/clause 11 (identification of critical assets/applications) & 41 (VAPT) of above mentioned SEBI circular and the final report after approval from Technology Committee of respective members within one month from the date of completion of VAPT, shall be submitted through member portal to the Stock Exchange.

In view of the above, all trading members shall carry out Vulnerability Assessment and Penetration Tests (VAPT) which inter-alia include all critical applications (trading, back office & related activities) and infrastructure components like Servers, Networking systems, Security devices, load balancers pertaining to the activities done as Stock Brokers. The broad area/scope (not limited to) for conduct of VAPT shall also include the following activities:

1. Grey Box assessment of web applications, mobile applications, APIs and thick client applications
2. Authenticated (wherever possible) Vulnerability Assessment of infrastructure (operating systems, databases & middleware, endpoint devices, network devices, security devices, cloud)
3. External Penetration Testing of all public facing URLs/IPs
4. Review of network architecture of critical infrastructure
5. Firewall rule review
6. Configuration audit of infrastructure (operating systems, databases & middleware, endpoint devices, network devices, security devices, cloud)

7. Wireless penetration testing

Further, the detailed scope of audit, findings and outcomes of these activities shall be provided in the comprehensive VAPT report along with checklist of test cases providing “FAIL” and “PASS” status.

The detailed VAPT report along with summary report (as per format specified in Annexure A) as a single document shall be digitally signed by CERT-In empaneled entity to be submitted to Exchange by December 31, 2024. The submission shall be considered complete only if detailed VAPT report along with summary report in single file is uploaded on member portal. The guidelines for submitting the VAPT Report are given in Annexure B.

Further, as per para 44 of SEBI Circular No. SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018, amended vide SEBI Circular No. SEBI/HO/MIRSD/TPD/P/CIR/2022/80 dated June 07, 2022, any gaps/vulnerabilities detected shall be remedied on immediate basis and compliance of closure of findings identified during VAPT shall be submitted to the Stock Exchanges within 3 months post the submission of final VAPT report. For any open vulnerabilities as reported & submitted in VAPT report, members are required to submit ATR/Compliance Report (as per format specified in Annexure C) along with Closure report of all the vulnerabilities closed digitally signed by the CERT-In empaneled entity as appointed by the member by March 31, 2025, on member portal. The submission shall be considered complete only if detailed Closure report along with ATR/Compliance report in single file is uploaded on member portal. The guidelines for submitting the VAPT Compliance Report/Action Taken Report (ATR) are given in Annexure D.

In order to ensure strict adherence to the regulatory requirements by members with the prescribed framework applicable for VAPT report and Compliance report for timely closure of vulnerabilities, penalties/disciplinary actions have been prescribed vide circular no NSE/INSP/57935 dated August 11, 2023. The details of penalties/disciplinary actions are provided in Annexure E.

All Members are advised to take note of the contents of this Circular and comply.

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

**Chintan Bhankharia
Senior Manager - Inspection**

Enclosure:**Annexure A - Format for VAPT Summary Report****Annexure B - Guidelines for submitting VAPT Report on Portal****Annexure C - Format for VAPT Compliance/ATR****Annexure D - Guidelines for submitting the VAPT Compliance Report/Action Taken Report on Portal.****Annexure E- Penalties/Disciplinary action(s) for Non-Submission of VAPT Report and/or Compliance Report and/or non-closure of open vulnerabilities****In case of any clarifications, Members may contact our below offices:**

| REGIONAL OFFICE | E-MAIL ID | CONTACT NO. |
|------------------------|---------------------------------|-------------------------------|
| Ahmedabad (ARO) | inspectionahm@nse.co.in | 079-49008632 |
| Chennai (CRO) | inspection_cro@nse.co.in | 044- 66309915/17 |
| Delhi (DRO) | delhi_inspection@nse.co.in | 011-23459127 / 38 / 46 |
| Kolkata (KRO) | inspection_kolkata@nse.co.in | 033-40400412 / 459 |
| Mumbai (WRO) | compliance_wro@nse.co.in | 022-26598200 /022-61928200 |
| Central Help Desk | compliance_assistance@nse.co.in | |

Annexure – A

Format for VAPT Summary Report

| VAPT Report Summary | | | | |
|---|-----------------|-------------|---------------|------------|
| Name of Trading Member | | | | |
| Contact person Details (Name, Mobile number & EmailID) of Trading Member (Preferably CISO's) | | | | |
| VAPT Completion Date “(DD-MM-YYYY)” | | | | |
| Date of approval of VAPT report by Technology Committee of Trading Member “(DD-MM-YYYY)” | | | | |
| Name of the Auditor | | | | |
| Name of the Audit Firm | | | | |
| Audit Firm Landline No. | | | | |
| Auditor Mobile No. | | | | |
| Auditor / Audit Firm Email ID | | | | |
| CERT-In empanelment validity expiry Date “(DD-MM-YYYY)” | | | | |
| Risk | Critical | High | Medium | Low |
| (A) No of closed vulnerabilities | | | | |
| (B) No of open vulnerabilities | | | | |
| Reason for non-closure: Mention for Critical, High, Medium, and Low separately | | | | |
| Vulnerabilities planned to be closed by “(DD/MM/YYYY)” * | | | | |
| Remarks | | | | |
| <p>*Note - As per SEBI Circular dated June 07, 2022, any gaps/vulnerabilities detected shall be remedied on an immediate basis. Further, compliance of closure of findings identified during VAPT shall be submitted within 3 months post submission of VAPT report. The planned target date should be mentioned accordingly.</p> | | | | |

Annexure – B

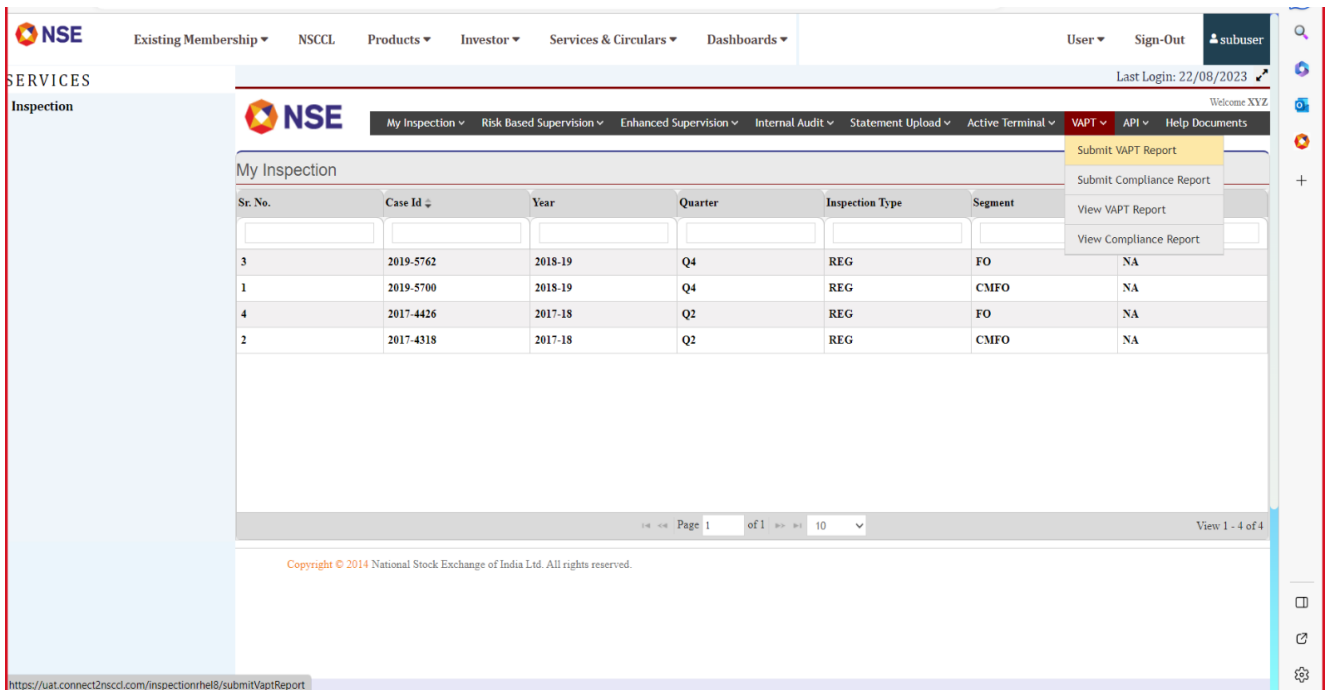
Guidelines for submitting VAPT Report on Portal

Step – 1

Log in to Members portal from your existing credentials. Then click on **Inspection Tab**

Step – 2

A separate VAPT module has been made available for members to submit the VAPT report. Click on **Submit VAPT report**.



The screenshot displays the NSE Members Portal interface. The top navigation bar includes 'Existing Membership', 'NSCCL', 'Products', 'Investor', 'Services & Circulars', and 'Dashboards'. The user is logged in as 'subuser' with a last login of '22/08/2023'. The 'Inspection' tab is selected, showing a table of inspections and a dropdown menu for 'VAPT' with options: 'Submit VAPT Report', 'Submit Compliance Report', 'View VAPT Report', and 'View Compliance Report'.

| Sr. No. | Case Id | Year | Quarter | Inspection Type | Segment | | |
|---------|-----------|---------|---------|-----------------|---------|--|----|
| 3 | 2019-5762 | 2018-19 | Q4 | REG | FO | | NA |
| 1 | 2019-5700 | 2018-19 | Q4 | REG | CMFO | | NA |
| 4 | 2017-4426 | 2017-18 | Q2 | REG | FO | | NA |
| 2 | 2017-4318 | 2017-18 | Q2 | REG | CMFO | | NA |

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https://uat.connect2nsccl.com/inspectionhel8/submitVaptReport

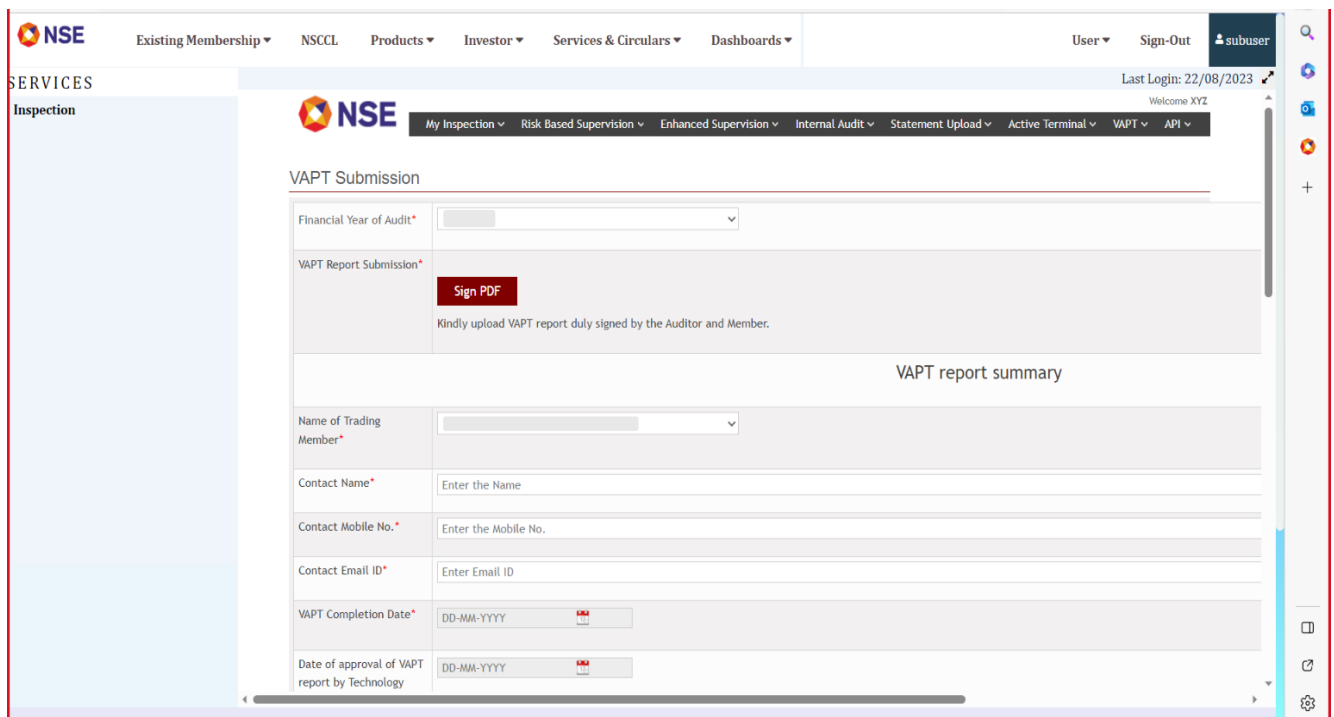
Step – 3

By clicking “**Submit VAPT report**”, the screen below will be displayed.

“VAPT Report Submission” –

Detailed VAPT report along with VAPT summary (as attached at **Annexure – A**) should be prepared and duly signed by the CERT- In empaneled entity who has conducted the VAPT.

By clicking “**Sign PDF**” button, member shall be required to select VAPT report. (pdf format digitally signed by CERT-In empaneled entity)



The screenshot shows the NSE VAPT Submission web interface. The top navigation bar includes the NSE logo, menu items like 'Existing Membership', 'NSCCL', 'Products', 'Investor', 'Services & Circulars', and 'Dashboards', and user information such as 'User', 'Sign-Out', and 'subuser'. The main content area is titled 'VAPT Submission' and contains the following form fields:

- Financial Year of Audit***: A dropdown menu.
- VAPT Report Submission***: A large text area containing a red 'Sign PDF' button and the instruction 'Kindly upload VAPT report duly signed by the Auditor and Member.'
- VAPT report summary**: A section header for the summary form.
- Name of Trading Member***: A dropdown menu.
- Contact Name***: A text input field with the placeholder 'Enter the Name'.
- Contact Mobile No.***: A text input field with the placeholder 'Enter the Mobile No.'.
- Contact Email ID***: A text input field with the placeholder 'Enter Email ID'.
- VAPT Completion Date***: A date input field with the format 'DD-MM-YYYY' and a calendar icon.
- Date of approval of VAPT report by Technology**: A date input field with the format 'DD-MM-YYYY' and a calendar icon.

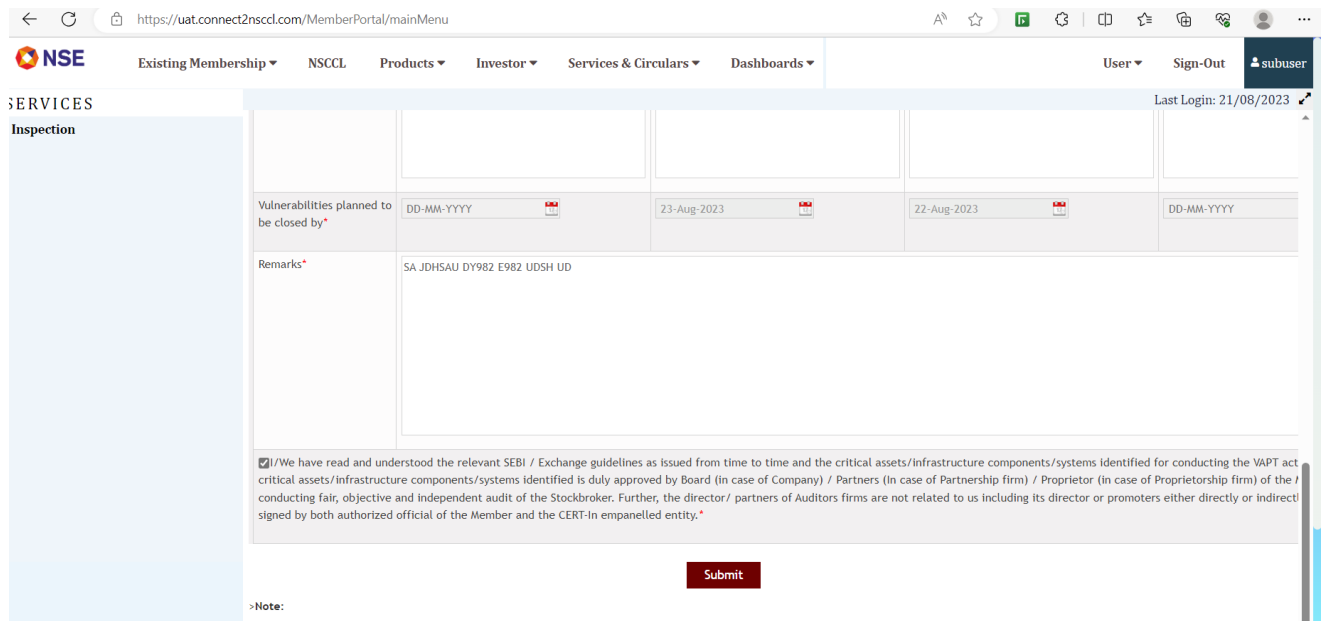
Step – 4

After uploading the VAPT report, Member shall be required to enter the VAPT report summary details as displayed below: -

| Inspection | | | | |
|--|-----------------------------|-----------------------------------|-------------------------------|-----------------|
| VAPT Completion Date* | 22-Aug-2023 | | | |
| Date of approval of VAPT report by Technology Committee of Trading Member* | 30-Aug-2023 | | | |
| Particular | Name | Contact No | Email ID | |
| Auditor's Detail* | Enter the Auditor Name | Enter the Auditor Mobile No. | Enter the Auditor Email ID | Enter the Audit |
| Audit firm Detail* | Enter the Auditor Firm Name | Enter the Audit Firm Landline No. | Enter the Audit Firm Email ID | Enter the Audit |
| CERT-In empanelment validity expiry Date* | DD-MM-YYYY | | | |
| | Critical | High | Medium | |
| (A) No of closed vulnerabilities* | | | | |
| (B) No of open vulnerabilities* | | | | |
| Reason for non-closure* | Mention for Critical | Mention for High | Mention for Medium | Mention for Low |

Step – 5

Click on the checkbox for below highlighted undertaking and then click on “**Submit**” to complete the submission.



Browser address: https://uat.connect2nsccl.com/MemberPortal/mainMenu

Navigation: Existing Membership ▾ NSCCL Products ▾ Investor ▾ Services & Circulars ▾ Dashboards ▾

User: subuser | Sign-Out | Last Login: 21/08/2023

SERVICES

Inspection

| | | | | |
|--|------------------------------|-------------|-------------|------------|
| Vulnerabilities planned to be closed by* | DD-MM-YYYY | 23-Aug-2023 | 22-Aug-2023 | DD-MM-YYYY |
| Remarks* | SA JDHSAU DY982 E982 UDSH UD | | | |

I/We have read and understood the relevant SEBI / Exchange guidelines as issued from time to time and the critical assets/infrastructure components/systems identified for conducting the VAPT act critical assets/infrastructure components/systems identified is duly approved by Board (in case of Company) / Partners (In case of Partnership firm) / Proprietor (in case of Proprietorship firm) of the / conducting fair, objective and independent audit of the Stockbroker. Further, the director/ partners of Auditors firms are not related to us including its director or promoters either directly or indirect signed by both authorized official of the Member and the CERT-In empanelled entity.*

Submit

>Note:

Notes

1. Submitted reports would be available under “**View Submitted Report**” sub-tab.
2. In case a user is unable to submit the VAPT report due to any technical issue, kindly try submitting the VAPT report in Incognito mode. In case of any issue in uploading the report kindly send an email to dl-syscyb@nse.co.in

Annexure – C

Format for VAPT Compliance/ATR

(On the letter head of the CERT-In empaneled entity)

Action Taken Report / Compliance Report on the non-conformities / vulnerabilities identified during the VAPT conducted during the FY. _____

| Particulars | High | Critical | Medium | Low |
|--|------|----------|--------|-----|
| No. of Open Vulnerabilities as reported in VAPT report submitted to the Exchange | | | | |
| Current Status | | | | |

Explanation / Reason for non-closure

(To be filled in case of open vulnerabilities mentioned in current status)

| Details of such open non-Conformities / Vulnerabilities* | Explanation / Reason for Non-Closure |
|--|--------------------------------------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |

*Open vulnerabilities shall attract appropriate disciplinary action by the Exchange depending on the criticality / such other factors

| | |
|-------------------------------------|--|
| Trading Member (TM) Name & TM Code: | |
| Auditor Name: | |
| Name of CERT-In empaneled entity: | |
| Sign: | |

(To be digitally signed by CERT-In empaneled entity as appointed by the Member)

Annexure – D

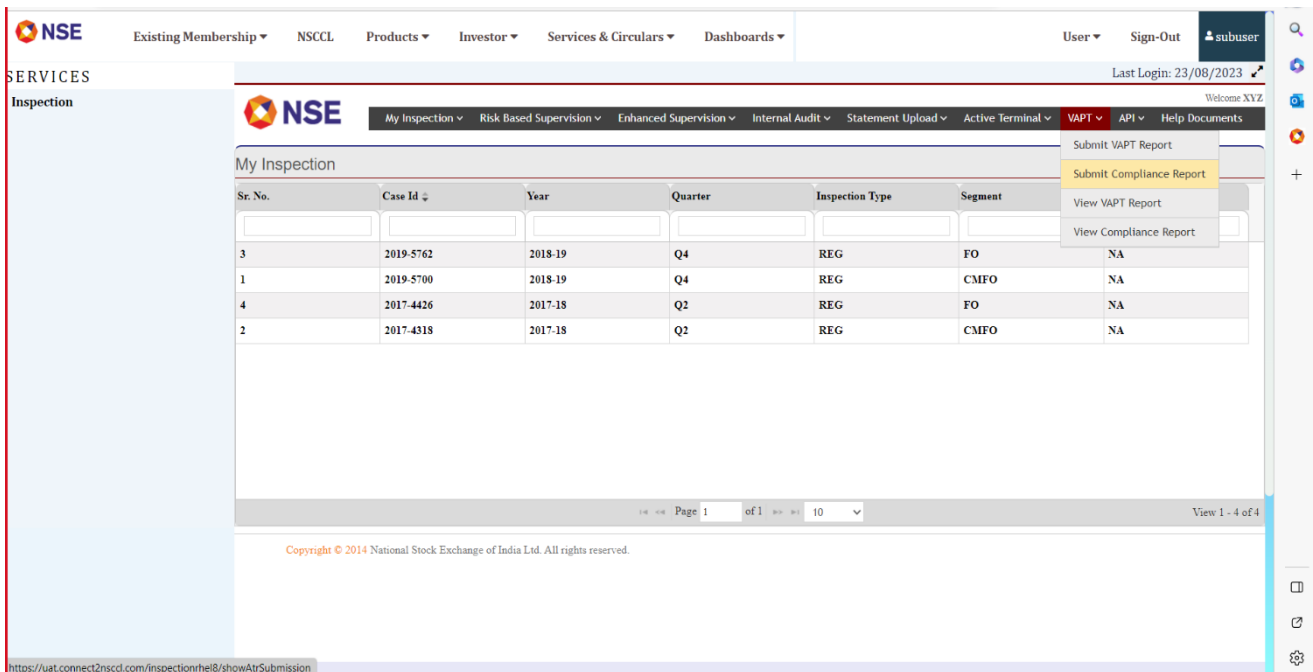
Guidelines for submitting the VAPT Compliance Report/Action Taken Report on Portal.

Step – 1

Log in to Members portal from your existing credentials. Then click on **Inspection Tab**

Step – 2

A separate VAPT module has been made available for members to submit the VAPT report. Click on **Submit Compliance report.**



The screenshot displays the NSE Members Portal interface. The top navigation bar includes 'Existing Membership', 'NSCCL', 'Products', 'Investor', 'Services & Circulars', and 'Dashboards'. The user is logged in as 'subuser' with a last login of '23/08/2023'. The 'Inspection' tab is active, showing a table of inspections and a dropdown menu for 'VAPT' with options: 'Submit VAPT Report', 'Submit Compliance Report', 'View VAPT Report', and 'View Compliance Report'.

| Sr. No. | Case Id | Year | Quarter | Inspection Type | Segment | |
|---------|-----------|---------|---------|-----------------|---------|----|
| 3 | 2019-5762 | 2018-19 | Q4 | REG | FO | NA |
| 1 | 2019-5700 | 2018-19 | Q4 | REG | CMFO | NA |
| 4 | 2017-4426 | 2017-18 | Q2 | REG | FO | NA |
| 2 | 2017-4318 | 2017-18 | Q2 | REG | CMFO | NA |

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https://uat.connect2nsccl.com/inspectionhelpl/showAtrSubmission

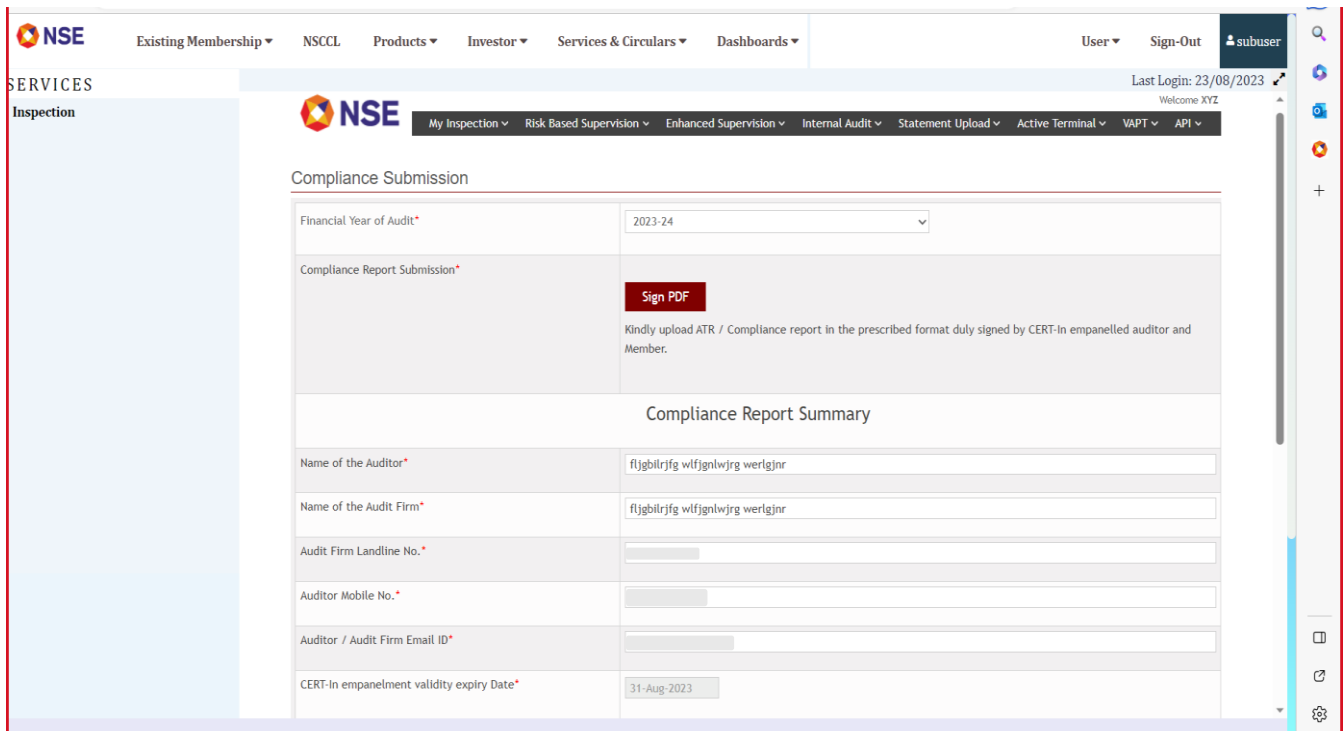
Step – 3

By clicking “**Submit Compliance report**”, the screen displayed below would open.

“Compliance Report Submission”

Compliance report (as attached in **Annexure – C**) should be prepared along with Closure report of all the vulnerabilities duly signed by the CERT-In empaneled entity who conducted the VAPT.

By clicking “**Sign PDF**” icon, Member shall be required to select this Compliance report. (PDF format digitally signed by CERT-In empaneled entity)

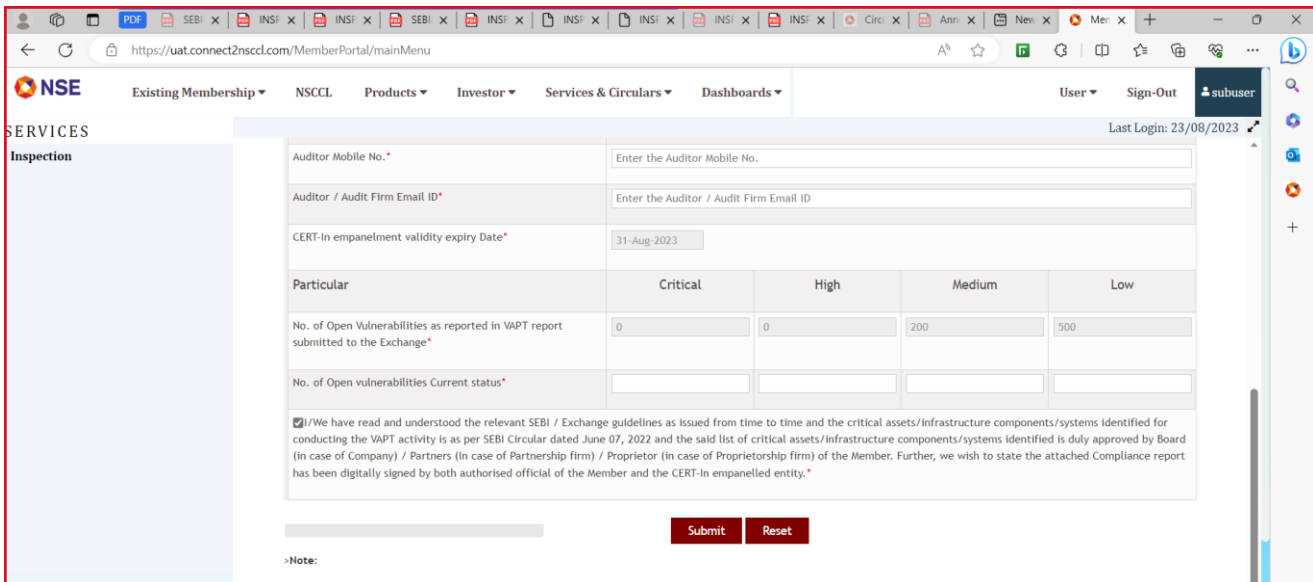


The screenshot shows the NSE web portal interface for 'Compliance Submission'. The top navigation bar includes 'Existing Membership', 'NSCL', 'Products', 'Investor', 'Services & Circulars', and 'Dashboards'. The user is logged in as 'subuser' with a last login of '23/08/2023'. The main content area is titled 'Compliance Submission' and contains the following form fields:

- Financial Year of Audit***: 2023-24
- Compliance Report Submission***: Includes a red 'Sign PDF' button and the instruction: 'Kindly upload ATR / Compliance report in the prescribed format duly signed by CERT-in empanelled auditor and Member.'
- Compliance Report Summary**:
 - Name of the Auditor***: fljgbitrjfg wlfjgnlwjrg werlgjnr
 - Name of the Audit Firm***: fljgbitrjfg wlfjgnlwjrg werlgjnr
 - Audit Firm Landline No.***: [Empty field]
 - Auditor Mobile No.***: [Empty field]
 - Auditor / Audit Firm Email ID***: [Empty field]
 - CERT-In empanelment validity expiry Date***: 31-Aug-2023

Step – 5

Click on the checkbox for below highlighted undertaking and then click on “**Submit**” to complete the submission.



Auditor Mobile No.* Enter the Auditor Mobile No.

Auditor / Audit Firm Email ID* Enter the Auditor / Audit Firm Email ID

CERT-In empanelment validity expiry Date* 31-Aug-2023

| Particular | Critical | High | Medium | Low |
|---|----------|------|--------|-----|
| No. of Open Vulnerabilities as reported in VAPT report submitted to the Exchange* | 0 | 0 | 200 | 500 |
| No. of Open vulnerabilities Current status* | | | | |

We have read and understood the relevant SEBI / Exchange guidelines as issued from time to time and the critical assets/Infrastructure components/systems identified for conducting the VAPT activity as per SEBI Circular dated June 07, 2022 and the said list of critical assets/Infrastructure components/systems identified is duly approved by Board (in case of Company) / Partners (In case of Partnership firm) / Proprietor (in case of Proprietorship firm) of the Member. Further, we wish to state the attached Compliance report has been digitally signed by both authorised official of the Member and the CERT-In empanelled entity.*

>Note:

Notes

1. Submitted reports would be available under “View Compliance Report” sub-tab.
2. In case a user is unable to submit the Compliance report due to any technical issue, kindly try submitting the Compliance report in Incognito mode. In case of any issue in uploading the report kindly send an email to dl-syscyb@nse.co.in

Annexure - E

Penalties/Disciplinary action(s) for Non-Submission of VAPT Report and/or Compliance Report and/or non-closure of open vulnerabilities

Non-submission of VAPT report and/or compliance report within below specified dates by Members (other than QSBs):

| Details of Violation | Penalty/disciplinary actions | Penalty/disciplinary action in case of repeated violation |
|---|--|--|
| <p>Non-submission of VAPT report on or before December 31 and/or Compliance report on or before March 31.</p> | <ol style="list-style-type: none"> 1. Charges Rs. 1,500/- per day till first 7 calendar days or submission of report, whichever is earlier. 2. Charges of Rs. 2,500/- per day from the 8th calendar day to 21st calendar day or submission of report, whichever is earlier. 3. In case of non-submission of report till 21st calendar day, new client registration shall be prohibited and notice of 7 calendar days for disablement of trading facility till submission of report, shall be issued. 4. The disablement notice issued to the member will be shared with all the Exchanges for information. 5. In case of non-submission of report by 28th calendar day, Member shall be disabled in all segments till submission of report. | <p>In case of a repeat instance by the Member, levy of applicable monetary penalty along with an escalation of 50%.</p> <p>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 member will be shared with all the Exchanges for information. In case of non-submission of report by 28th calendar day, Member shall be disabled in all segments till submission of report.</p> |

Non-submission of VAPT report and/or compliance report within below specified dates by QSB Members:

| Details of Violation | Penalty/disciplinary actions | Penalty/disciplinary action in case of repeated violation |
|--|---|--|
| <p>Non-submission of VAPT report on or before June 30/December 31 and/or Compliance report on or before September 30/March 31.</p> | <ol style="list-style-type: none"> 1. Charges Rs. 3,000/- per day till the first 7 calendar days or submission of report, whichever is earlier. 2. Charges of Rs. 5,000/- per day from the 8th calendar day to 21st calendar day or submission of report, whichever is earlier 3. In case of non-submission of report till 21st calendar day, new client registration shall be prohibited and notice of 7 calendar days for disablement of trading facility till submission of report, shall be issued. 4. The disablement notice issued to the member will be shared with all the Exchanges for information. 5. In case of non-submission of report by 28th calendar day, Member shall be disabled in all segments till submission of report. | <p>In case of a repeat instance by the Member, levy of applicable monetary penalty along with an escalation of 50%.</p> <p>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.</p> <p>The disablement notice issued to the member will be shared with all the Exchanges for information.</p> <p>In case of non-submission of report by 28th calendar day, Member shall be disabled in all segments till submission of report.</p> |

Penalty/Disciplinary actions applicable in case of non-closure of per open vulnerabilities as reported in VAPT report within period of 3 months as specified here under: -

| Categories of Risks | For All Members (other than QSBs) | For QSB Members |
|----------------------------|---|---|
| | Non closure of open vulnerabilities by March 31 | Non closure of open vulnerabilities by March 31 (for HY September 30) and by September 30 (for HY March 31) |
| High/critical Risk | Rs.50,000/- | Rs.1,00,000/- |
| Medium Risk | Rs.25,000/- | Rs.50,000/- |
| Low Risk | Rs.10,000/- | Rs.20,000/- |

Apart from the monetary penalty mentioned above, if **High/Critical/Medium** vulnerability is not closed by member within 21 days from the due date of submission of compliance report, new client registration shall be prohibited and notice of 7 days for disablement of trading facility shall be issued. If the vulnerability is not closed during this notice period, then member shall be disabled in all segments till closure of the vulnerability. The disablement notice issued to the member will be shared with all the Exchanges for information.