

Annexure 1 - List of violations / non-compliances along with classification and prescribed actions**Annexure 1.2 - Actions for non-compliances observed in periodic submissions made by Trading Members**

Sr. No.	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
1	Non-Submission of periodic AI/ ML details	For Non-QSB Members - Rs. 5000/- per instance For QSB Member - Rs. 10,000/- per instance	-	Financial Disincentive
2	Non-submission of Daily Holding	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 8th calendar day to 21st calendar day or submission of report, whichever is earlier3.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. 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.	-	Material
3	Non submission/delayed submission of Daily MTR file to Exchange	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 8th calendar day to 21st calendar day or submission of report, whichever is earlier3.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. 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.	-	Financial Disincentive

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4	Failure to furnish Internal Audit report to Stock Exchanges for half year ending 30th September and half year ending 31st March within the due date	1.Charges Rs. 1,500/- per day for Non QSB & Rs. 3,000/- per day for QSB from the due date till first 7 calendar days or submission of report, whichever is earlier. 2.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. 3.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. 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.	2nd Time & Onwards - Levy of applicable monetary penalty along with an escalation of 50%. 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.	Material
5	Non-submission of information towards FATF public statement within the time specified by Exchange.	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 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 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. 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.	-	Material

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6	Failure to submit data for the half yearly Risk Based Supervision within the time specified by Exchange.	1.Charges Rs. 1,500/- per day for Non QSB & Rs. 3,000/- per day for QSB from the due date till first 7 calendar days or submission of report, whichever is earlier. 2.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. 3.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. 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.	2nd Time & Onwards - Levy of applicable monetary penalty along with an escalation of 50%. 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.	Financial Disincentive
7	Delay/Non-submission of system audit/ Cyber security and cyber resilience audit report within the due date	1.Charges Rs. 1,500/- per day for Non QSB & Rs. 3,000/- per day for QSB from the due date till first 7 calendar days or submission of report, whichever is earlier. 2.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. 3.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. 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.	2nd Time & Onwards - Levy of applicable monetary penalty along with an escalation of 50%. 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.	Material

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Sr. No.	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
8	Delay / Non submission of ATR in case of system audit report / cyber security and cyber resilience audit report.	1.Charges Rs. 1,500/- per day for Non QSB & Rs. 3,000/- per day for QSB from the due date till first 7 calendar days or submission of report, whichever is earlier. 2.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. 3.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. 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.	2nd Time & Onwards - Levy of applicable monetary penalty along with an escalation of 50%. 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.	Financial Disincentive
9	Dealy/ Non-submission of VAPT report on or before due date	1.Charges Rs. 1,500/- per day for Non QSB & Rs. 3,000/- per day for QSB from the due date till first 7 calendar days or submission of report, whichever is earlier. 2.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. 3.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. 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.	2nd Time & Onwards - Levy of applicable monetary penalty along with an escalation of 50%. 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.	Material

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10	Non-submission of Cyber Incident reporting (Quarterly Submission) within the time specified by the Exchange.	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 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 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. 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.	2nd Time & Onwards - Levy of applicable monetary penalty along with an escalation of 50%. 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.	Material
11	Penalty/Disciplinary actions applicable in case of non-closure of per open vulnerabilities as reported in VAPT report within due date	<u>For Non-QSBs Member -</u> High/Critical risk - Rs. 50,000 Medium risk - Rs. 25,000 Low Risk - 10,000 (For Low Risk - If certification is provided on efficacy of compensatory controls no penalty else 10,000/- per vulnerability. Subject to closure of the same before start of period of next VAPT.) <u>For QSB Members-</u> High/Critical risk - Rs. 1,00,000 Medium risk - Rs. 50,000 Low Risk - 20,000 (For Low Risk - If certification is provided on efficacy of compensatory controls no penalty else 20,000/- per vulnerability. Subject to closure of the same before start of period of next VAPT.) 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.	-	Material

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12	Penalty for each High/Medium/Low risk non-compliance, which has not been closed in ATR in system audit report	<p>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)</p> <p><u>For QSB Members</u> High Risk - Rs.30,000 Medium Risk - Rs. 15,000 Low Risk - Rs. 5,000</p> <p><u>For Non- QSB Members</u> High Risk - Rs.15,000 Medium Risk - Rs. 7500 Low Risk - Rs. 2500</p> <p>a) In case the observations are not closed by members within 3 weeks from the due date of submission of ATR, new client registration to be prohibited and notice of 7 days for disablement of trading facility till the closure of observation(s).</p> <p>b) 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 4 weeks from the due date of submission of ATR, Member shall be disabled in all segments until closure of observation(s).</p>	-	Financial Disincentive

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Sr. No.	Details of Contravention	Action in case of first instance	Action in case of repeat instance	Tag
13	Penalty for each High/Medium/Low risk non-compliance, which has not been closed in ATR in cyber security and cyber resilience audit report	<p>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)</p> <p><u>For QSB Members</u> High Risk - Rs. 1,00,000 Medium Risk - Rs.50,000 Low Risk - Rs. 10,000</p> <p><u>For Non- QSB Members</u> High Risk - Rs. 50,000 Medium Risk - Rs.25,000 Low Risk - Rs. 5000</p> <p>a) In case the observations are not closed by members within 3 weeks from the due date of submission of ATR, new client registration to be prohibited and notice of 7 days for disablement of trading facility till the closure of observation(s).</p> <p>b) 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 4 weeks from the due date of submission of ATR, Member shall be disabled in all segments until closure of observation(s).</p>		Financial Disincentive
14	Non-submission of Cyber Incident reporting (Immediate Submission) within the time (with in 6 hours) specified by the Exchange.	If the incident not reported within 6 hours. Rs. 20,000/- per day till the incident is reported subject to a maximum of Rs.2 lakhs per incident.	2nd Time & Onwards - 50% Escalation	Material