

National Stock Exchange Of India Limited

Department : MEMBER SERVICE DEPARTMENT

Download Ref No: NSE/MSD/39002

Date : September 28, 2018

Circular Ref. No: 47/2018

All Members,

System Audit of Stock Brokers / Trading Members (Type – III)

In accordance with Exchange circular download no. NSE/CMTR/26285, NSE/FAOP/26283 and NSE/CD/26284 dated March 25, 2014 in relation to systems audit requirement, stock brokers / trading members having approval for algorithm software (Type – III) are required to conduct system audit for period April 01, 2018 to September 30, 2018 for all NNF trading software across the segments 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-September)	November 30, 2018	February 28, 2019	May 31, 2019

Submission of system audit report shall be considered complete only after stock broker / trading member submits the report to the Exchange after providing management comments. Late submission charges of Rs.100 /- per day will be levied to stock brokers / trading members failing to submit the system audit report through NSE ENIT.

Stock brokers / trading members shall comply with any non-compliance/ non-conformities (NCs) pending for system audit report for the previous audit period ending March 31, 2018 by submitting ATR and/or Follow-on audit report as the case may be in the space provided through ENIT. Kindly refer to the guidelines for submitting the audit report (Annexure 'A').

For and on behalf of
National Stock Exchange of India Limited

Suzie D'Souza
Chief Manager

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Annexure A

Guidelines to submit the systems audit report

- i. Kindly refer Exchange circular download no. NSE/CMTR/26285 dated March 25, 2014 for auditor selection norms, submission process of Preliminary audit report, Action Taken Report (ATR) & Follow-on audit report and relevant Annexures.
- ii. Steps to submit the Preliminary audit report:

Category	Create login id in Member Portal	System Audit Registration & assign Audit Period in ENIT	Preliminary audit report submission in ENIT
New member (Member undergoing system audit for the 1st time)	Yes	Yes	1. System auditor shall submit the Preliminary system audit report to member. 2. Trading member shall enter management comments in the field provided and submit the Preliminary system audit report to the Exchange.
Existing member with a new auditor (Member has already undergone systems audit earlier, however wishes to change the auditor for the current period)	No	Yes (Mention existing login details, new audit firm’s details and new audit period)	
Existing member with old auditor (Member has already undergone systems audit earlier and wishes to conduct the current audit with existing auditor)	No	Yes (Mention existing login details, audit firm’s details and new audit period)	
Help Files			
Relevant help files on ENIT	Member System Audit > System Audit Help File > User Creation - Member Portal	Member System Audit > System Audit Help File > Auditor Registration	Member System Audit > System Audit Help File > Auditor Submission / Member Submission