**Annexure B**

**Penalty/ disciplinary action for delay/non-submission and non-closure reported w.r.t. System Audit Report and VAPT Report submitted by Vendors providing Co-Location as a Service (CaaS) and System Audit Report submitted by Application service provider (i.e. ASP’s)**

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| --- | --- | --- |
| **Details of Violation / contravention** | **Penalty/disciplinary actions** | **Penalty/disciplinary action in case of Repeat violation/contravention** |
| Delay/non submission of System Audit Report/VAPT Audit Report/Action Taken Report submitted by Application Service Providers and Vendors providing Co-Location as a Service (CaaS) facility. | 1. From 1st day to 7th day: Charges of Rs. 3000/- per day from the due date till the 7th calendar days or submission of report, whichever is earlier.  2. From 8th day to 21st day: Charges of Rs. 5000/- per day from 8th calendar days or submission of report, whichever is earlier  3. In case of non-submission of report till 21st day from due date of submission, 7 calendar days’ notice for Restriction for onboarding of new members shall be issued. In case of non-submission of report by the 28th calendar day, New Member onboarding shall be prohibited. | In case of a repeat instance by the vendor, levy of applicable monetary penalty along with an escalation of 50%.  In case of non-submission of report till 21st day from due date of submission, 7 calendar days’ notice for Restriction for onboarding of new members shall be issued. In case of non-submission of report by the 28th calendar day, New Member onboarding shall be prohibited. |

Further, in case of non-closure of the open vulnerabilities/observations within 3 months from the submission of final VAPT/System Audit report, following penalty is proposed for the non-closure of open vulnerabilities/Observations based on the risk rating reported by auditor in the report: -

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| --- | --- | --- |
| **Categories of Risks** | **Penalty (per open venerability which has not been closed in VAPT ATR Report)** | **Penalty (per open observation which has not been closed in System Audit ATR Report)** |
| High/Critical Risk | 1,00,000 | 30,000 |
| Medium Risk | 50,000 | 15,000 |
| Low Risk | 20,000 | 5,000 |

Apart from the monetary penalty mentioned above, if High/Critical/Medium Vulnerabilities/observation are not closed by vendor within 21 days from the due date of submission of compliance report, 7 calendar days’ notice for Restriction for onboarding of new members shall be issued. Further, in case vulnerabilities/Observation are not closed within 28th calendar day, New Member onboarding shall be prohibited.