

**Annexure A - Cyber Security Audit, System Audit, Cyber Incident Reporting, Technical Glitch related violations**

Sl.No.	Particulars	Penalty/disciplinary action	
1	<b>Penalties /disciplinary actions for Delayed non submission of System/Cyber audit</b>		
A	Non-submission of system audit report within the due date	<p><u>Penalty/disciplinary action</u></p> <ol style="list-style-type: none"> <li>For 1st week after due date, Charges of Rs. 2,500/- per day</li> <li>Charges of Rs. 5000/- per day from second week after due date</li> <li>In case of non-submission within three weeks from the due date of submission, new client registration to be prohibited and notice of 7 days for disablement of trading facility till submission of data/report. The disablement notice issued to the member shall be shared with all the Exchanges for information.</li> <li>In case of non-submission within four weeks from the due date of submission, Member shall be disabled in all segments till submission of data/report.</li> </ol>	<p><u>Penalty/disciplinary action in case of Repeat violation/contravention.</u></p> <ul style="list-style-type: none"> <li>➤ In case of a repeat instance by the Member, levy of applicable monetary penalty along with an escalation of 50%.</li> <li>➤ In case of non-submission within three weeks from the due date of submission, new client registration to be prohibited and notice of 7 days for disablement of trading facility till submission of data/report. The disablement notice issued to the member shall be shared with all the Exchanges for information.</li> <li>➤ In case of non-submission within four weeks from the due date of submission, Member shall be disabled in all segments till submission of data/report.</li> </ul>
B	Non-submission of cyber audit report within the due date	<p><u>Penalty/disciplinary action</u></p> <ol style="list-style-type: none"> <li>For 1st week after due date, Charges of Rs. 2,500/- per day</li> <li>Charges of Rs. 5000/- per day from second week after due date</li> <li>In case of non-submission within three weeks from the due date of submission, new client registration to be prohibited and notice of 7 days for disablement of trading facility till submission of data/report. The disablement notice issued to the member shall be shared with all the Exchanges for information.</li> <li>In case of non-submission within four weeks from the due date of submission, Member shall be disabled in all segments till submission of data/report.</li> </ol>	<p><u>Penalty/disciplinary action in case of Repeat violation/contravention.</u></p> <ul style="list-style-type: none"> <li>➤ In case of a repeat instance by the Member, levy of applicable monetary penalty along with an escalation of 50%.</li> <li>➤ In case of non-submission within three weeks from the due date of submission, new client registration to be prohibited and notice of 7 days for disablement of trading facility till submission of data/report. The disablement notice issued to the member shall be shared with all the Exchanges for information.</li> <li>➤ In case of non-submission within four weeks from the due date of submission, Member shall be disabled in all segments till submission of data/report.</li> </ul>
C	Delay or non-submission of ATR/Follow-on audit report as recommended by the auditor in case of system audit report/cyber security and cyber resilience audit report	<p><u>Penalty/disciplinary actions</u></p> <ol style="list-style-type: none"> <li>For 1st week after due date, Charges of Rs. 2,500/- per day</li> <li>Charges of Rs. 5000/- per day from second week after due date</li> <li>In case of non-submission within three weeks from the due date of submission, new client registration to be prohibited and notice of 7 days for disablement of trading facility till submission of data/report. The disablement notice issued to the member shall be shared with all the Exchanges for information.</li> <li>In case of non-submission within four weeks from the due date of submission, Member shall be disabled in all segments till submission of data/report.</li> </ol>	<p><u>Penalty/disciplinary action in case of Repeat violation/contravention.</u></p> <ul style="list-style-type: none"> <li>➤ In case of a repeat instance by the Member, levy of applicable monetary penalty along with an escalation of 50%.</li> <li>➤ In case of non-submission within three weeks from the due date of submission, new client registration to be prohibited and notice of 7 days for disablement of trading facility till submission of data/report. The disablement notice issued to the member shall be shared with all the Exchanges for information.</li> <li>➤ In case of non-submission within four weeks from the due date of submission, Member shall be disabled in all segments till submission of data/report.</li> </ul>
D	Penalties/disciplinary action(s)/charges for non-compliances/non-closure reported in System Audit Report of Trading Members	<p><u>Applicable Penalty for each High/Medium/Low risk Non-Compliance reported</u></p> <p>High Risk ₹ 15,000/- Medium Risk ₹ 7,500/- Low Risk ₹ 2,500/-</p> <p><u>Non-compliance which has not been closed in ATR (i.e., within three months of submission of due date of preliminary audit report)</u></p> <p>High Risk ₹ 30,000/- Medium Risk ₹ 15,000/- Low Risk ₹ 5,000/-</p> <p>In case observations are not closed by member within three weeks from the due date for submission of 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).</p> <p>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 till closure of observations(s).</p>	

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E	Penalties/disciplinary action(s)/charges for non-compliances/non-closure reported in Cyber Security and Cyber Resilience Audit Report of Trading Members.	<p><b><u>Applicable Penalty for each High/Medium/Low risk</u></b>  <b><u>Non-Compliance reported</u></b></p> <p>High Risk ₹ 50,000/-                      Medium Risk ₹ 25,000/-                      Low Risk ₹ 5,000/-</p> <p><b><u>Non-compliance which has not been closed in ATR (i.e., within three months of submission of due date of preliminary audit report)</u></b></p> <p>High Risk ₹ 1,00,000/-                      Medium Risk ₹ 50,000/-                      Low Risk ₹ 10,000/-</p> <p>In case observations are not closed by member within three weeks from the due date for submission of 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).</p> <p>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 till closure of observations(s).</p>	<p align="center">-</p>

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SI.No.	Particulars	Penalty/disciplinary action	
2	<b>Penalties /disciplinary actions for Technical Glitches to prevent business disruptions - Failure to report the incident to the Exchange (non-submission of preliminary report and/or RCA), failure to move to DR and failure to take remedial measures.</b>		
A	Technical Glitch continuing for more than 15 minutes:	<p><b>For Specified Members</b></p> <ul style="list-style-type: none"> <li>➤ First instance - Observation Letter</li> <li>➤ Second instance - Administrative warning</li> <li>➤ Third instance onwards - For every instance Rs. 50,000/-</li> </ul> <p>It will progressively increase by Rs.25,000/- for subsequent instances.</p> <p>Additionally, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of noncompliance shall decide on additional disciplinary actions.</p> <p><b>For Other members</b></p> <ul style="list-style-type: none"> <li>➤ First instance - Observation Letter</li> <li>➤ Second instance - Administrative warning</li> <li>➤ Third instance onwards - For every instance Rs. 20,000/-</li> </ul> <p>It will progressively increase by Rs.5,000/- for subsequent instances.</p> <p>Additionally, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of noncompliance shall decide on additional disciplinary actions.</p>	-
B	More than 5 Technical Glitch Incidents during the financial year. (Incidents lasting more than 15 minutes)	<p><b>For Specified Members</b></p> <p>In addition to the penalty already levied as per the above provisions, no on-boarding of new clients till stock exchange analysis RCA and satisfies itself about corrective measures taken or, 15 days from glitch whichever is higher.</p> <p>Additionally, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.</p> <p><b>For Other Member</b></p> <p>The relevant authority of the Exchange on a case-to-case basis and based on the gravity of non-compliance shall decide on the disciplinary actions.</p>	-
C	Failure to restore operations by moving to DR site within Recovery Time Objective.	<p><b>For Specified Members</b></p> <p>Rs.2 lakh</p> <p><b>For Other Members</b></p> <p>Rs. 20,000/-</p>	-
D	Failure to inform Exchange about the incident/glitch within 1 hour	<p><b>For Specified Members</b></p> <p>Rs.50,000/-, plus Rs. 25,000/- per day till failure continues.</p> <p>Additionally, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.</p> <p><b>For Other Members</b></p> <p>Rs. 20,000/-, plus Rs. 5,000/- per day till failure continues.</p> <p>Additionally, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of noncompliance shall decide on additional disciplinary actions.</p>	-
E	Failure to submit the preliminary incident report to the Exchange by T+1 day	<p><b>For Specified Members</b></p> <p>Rs.50,000/-, plus Rs. 25,000/- per day till failure continues.</p> <p>Additionally, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.</p> <p><b>For Other Members</b></p> <p>Rs. 20,000/-, plus Rs. 5,000/- per day till failure continues.</p> <p>Additionally, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of noncompliance shall decide on additional disciplinary actions.</p>	-

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F	Failure to timely submit RCA within 14 days	<p><b>For Specified Members</b> Rs.50,000/-, plus Rs. 25,000/- per day till failure continues.</p> <p>Additionally, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.</p> <p><b>For Other Members</b> Rs. 20,000/-, plus Rs. 5,000/- per day till failure continues.</p> <p>Additionally, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.</p>	-
G	Failure to conduct DR drill/live trading from DR site as per the provisions	<p><b>For Specified Members</b> Rs. 2 lakh, plus Rs. 1 lakh for every month during which failure continues.</p> <p>Additionally, the relevant authority of the Exchange on a case-to-case basis and based on the gravity of non-compliance shall decide on additional disciplinary actions.</p> <p><b>For other Members</b> NA</p>	-

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3	<b>Penalties /disciplinary actions for Incident reporting</b>		
A	Non-submission of Cyber Incident reporting (Immediate Submission) within the time (with in 24 hours) specified by the Exchange.	<p><b><u>Penalty/disciplinary actions</u></b></p> <p>➤ If the incident not reported within 24 hours. Rs. 20,000/- per day till the incident is reported subject to a maximum of Rs.2 lakhs per incident.</p>	<p><b><u>Penalty/disciplinary action in case of Repeat violation/contravention</u></b></p> <p>➤ In case of a repeat instance by the Member, levy of applicable monetary penalty along with an escalation of 50%.</p>
B	Non-submission of Cyber Incident reporting (Quarterly Submission) within the time specified by the Exchange.	<p><b><u>Penalty/disciplinary actions</u></b></p> <p>1. For 1st week after due date, Charges of Rs. 2,500/- per day</p> <p>2. Charges of Rs. 5000/- per day from second week after due date</p> <p>3. In case of non-submission within three weeks from the due date of submission, New client registration to be prohibited and notice of 7 days for disablement of trading facility till submission of data/report. The disablement notice issued to the member shall be shared with all the Exchanges for information.</p> <p>4. In case of non-submission within four weeks from the due date of submission, Member shall be disabled in all segments till submission of data/report.</p>	<p><b><u>Penalty/disciplinary action in case of Repeat violation/contravention.</u></b></p> <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 within three weeks from the due date of submission, new client registration to be prohibited and notice of 7 days for disablement of trading facility till submission of data/report. The disablement notice issued to the member shall be shared with all the Exchanges for information.</p> <p>➤ In case of non-submission within four weeks from the due date of submission, Member shall be disabled in all segments till submission of data/report.</p>