

Annexure I

Auditor Selection Norms

1. The Auditor shall have minimum 3 years of experience in IT audit of securities market participants e.g., stock exchanges, clearing corporations, depositories, stock brokers, depository participants etc. The audit experience should cover all the major areas mentioned under Terms of Reference (TOR) of the system audit or cyber security and cyber resilience audit specified by SEBI / stock exchange from time to time.
2. Resources employed for the purpose of audit shall have relevant industry recognized certifications:
 - CISA (Certified Information System Auditors) from ISACA
 - CISM (Certified Information Securities Manager) from ISACA
 - GSNA (GIAC Systems and Network Auditor),
 - CISSP (Certified Information Systems Security Professional) from International Information Systems Security Certification Consortium, commonly known as (ISC)
 - CERT-IN Empaneled auditor
3. The Auditor should have experience of IT audit/governance frameworks and processes conforming to industry leading practices like CobiT 5 /ISO 27001.
4. The Auditor shall not have any conflict of interest in conducting fair, objective, and independent audit of the Trading Member. Further, the directors / partners of Auditor firm shall not be related to any stock broker including its directors or promoters either directly or indirectly.
5. The Auditor shall not have any cases pending against its previous audited companies/firms, which fall under SEBI's jurisdiction, which point to its incompetence and/or unsuitability to perform the audit task.
6. **Auditor has not conducted more than 3 successive Cyber Security and Cyber Resilience audits** of the trading member. Follow-on audits conducted by the auditor shall not be considered in the successive audits. However, such an auditor shall be eligible for re-appointment after a cooling-off period of one year.