

National Stock Exchange of India Limited

Circular

DEPARTMENT: INSPECTION	
Download Ref No: NSE/INSP/56784	Date: May 22, 2023
Circular Ref. No: 41/2023	

To All Members,

Sub: Penalty Provisions for trading terminals without having valid certification

This is with reference to Regulation 3 of the Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007 and Exchange Circular no. NSE/INSP/40559 dated March 27, 2019, which stipulates passing of certification program by the associated persons of the Members. Members should also ensure that correct and updated information relating to trading terminals and certification is reported to the Exchange.

It is reiterated that all approved persons of the Members should have valid certification as specified by SEBI/ Exchange from time to time and no trades are executed without a valid certification. Members are advised to monitor the expiry of certification of approved persons and ensure that requisite certification has been renewed well before the expiry. Members shall exercise appropriate due diligence and verify the authenticity and validity of the certification prior to uploading the certification details to the Exchange.

In order to ensure strict compliance of the aforesaid provisions, it has been decided to prescribe the revised penalty structure in case of “operation of trading terminal by user without valid certification” for Cash segment (Corporate Manager and Branch Manager) as well as Derivative Segments (Corporate Manager, Branch Manager and Dealer NEAT user id OR 12-digit NNF terminals with purpose reported as “Trading”) as under: -

With effect from	Penalty Amount
July 01, 2023	Rs. 2,000/- per terminal
August 01, 2023	Rs. 3,000/- per terminal
September 01, 2023	Rs. 5,000/- per terminal
October 01, 2023	Rs. 10,000/- per terminal
November 01, 2023	Disablement of terminal

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Exchange shall disable/deactivate the user ids/trading terminals of all approved persons (NEAT as well as 12-digit NNF terminals) having expired certification or not meeting certification requirement as specified by SEBI/Exchange from time to time as on End of Day (EOD) of November 01, 2023. The same shall be applicable if the certification has expired for any user type i.e., Corporate Manager, Branch Manager and Dealer NEAT user id OR 12 digit NNF terminals with purpose reported as "Trading" as per certificate requirements specified for respective segments vide Exchange Circular no. NSE/INSP/34638 dated April 13, 2017. Thereafter, on an ongoing basis, the Exchange at EOD shall disable the user id of all approved persons for which the certificate has expired, and renewal of the said certificate has not been updated in the Exchange database/records.

Members are requested to take note of the contents of the circular and ensure strict compliance.

**For and on behalf of
National Stock Exchange of India Limited**

**Harinatha Reddy M
Chief Manager**

In case of any clarifications, Members may contact our below offices:

Regional Office	E MAIL ID	CONTACT NO.
Ahmedabad (ARO)	inspectionahm@nse.co.in	079- 49008632
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