

Department: Inspection	Segment: All
Circular No: MSE/INSP/15277/2024	Date : April 30, 2024

Subject: Cyber Security and Cyber Resilience Audit of Stock Brokers / Trading Members

To All Members,

Member's attention is drawn to SEBI circular no. SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018, SEBI/HO/MIRSD/DOP/CIR/P/2019/109 dated October 15, 2019 and Exchange circular ref no. MSE/TECH/8248/2019 dated October 24, 2019, in relation to Cyber Security & Cyber Resilience framework for Stock Brokers / Depository Participants and MSE/INSP/13285/2023 dated April 03, 2023 on Revised and Standardized "Terms Of Reference" for "Cyber Security and Cyber Resilience Audit report" of Stock Brokers / Trading Members across Exchanges.

As per para 5 of the said SEBI Circular dated October 15, 2019, wherein the periodicity of audit for the purpose of compliance with Cyber Security and Cyber Resilience provisions for stock brokers is defined. Accordingly, Trading Members are required to carry-out audit for the period ended March 31, 2024, as per the applicability criteria given below.

Type of stock broker as specified in SEBI circular	Periodicity
Type I	Annually
Type II Using IML/ IBT / STWT / DMA / SOR	Annually
Type III Using ALGO & QSBs	Half-yearly

Timelines for submission of Cyber Security & Cyber Resilience Audit Report for the period ended March 31, 2024 is given below:

Audit Period	Due date for submission for QSB and Non-QSB Members	
	Preliminary Audit Report submission	Corrective Action taken Report (ATR) submission (If applicable)
Half Yearly (October 2023- March 2024)	June 30, 2024	September 30, 2024
Yearly Submission (April 2023 - March 2024)	June 30, 2024	September 30, 2024

All Trading Members are requested to take note that, for each non-compliance reported by the auditor, trading members are required to submit corrective action taken report as per above mentioned timelines. On review of details of corrective action submitted by trading member, the auditor shall submit the status of compliance as Compliant / Non-Compliant.

Submission of Cyber Security & Cyber Resilience Audit Report shall be considered completed only after trading member submits the report to the Exchange after providing management comments. Further, auditor must provide compliance status for each TOR item as Compliant/Non-Compliant and Not Applicable and in case of any TOR item which is not applicable, auditor is required to provide justification for the non-applicability of said TOR.

Metropolitan Stock Exchange of India Limited



METROPOLITAN STOCK EXCHANGE

Please find enclosed herewith, following Annexures applicable for the Cyber Security & Cyber Resilience Audit Report:

- Cyber Security and Cyber Resilience Audit Report format – **Annexure I (Excel File)**
- Executive Summary – **Annexure II (Excel File)**
- Action Taken Report, if applicable. – **Annexure III (Excel File)**
- Auditor Selection Norms – **Annexure IV**
- Penalty/disciplinary action for Delay/Non-submission of Preliminary Audit Report / Corrective Action Taken Report and non-Closure of observations – **Annexure V**

The members are advised to submit the digitally signed soft copy of the Cyber Security & Cyber Resilience Audit Report in PDF format to the Exchange at compliancemsx@msei.in or members may also submit the signed physical copy of the report to the Exchange.

In case of physical copy of the Cyber Security & Cyber Resilience Audit Report, it may be noted that all the pages of audit report should be duly stamped and signed by the auditor. Auditor should categorically certify in the report about absence of conflict of interest as given in the format. The members are advised to submit the Cyber Security & Cyber Resilience Audit Report to the following address of the Exchange:

Inspection Department

Metropolitan Stock Exchange of India Ltd

205A, 2nd Floor, Piramal Agastya Corporate Park,
Kamani Junction, LBS Road,
Kurla (West). Mumbai 400070.

Trading Members are requested to take note of the Exchange circular MSE/INSP/14262/2023 dated October 06, 2023, regarding “Revised Penalties/disciplinary action(s)/charges for System Audit Report and Cyber Security & Cyber Resilience Audit Report related submissions”. The details of Penalties/disciplinary action(s)/charges have been provided in **Annexure V**.

All Members are advised to take note of the above & comply.

In case of any query kindly contact Inspection Department on (022) 6112 9000 or mail on compliancemsx@msei.in.

For and on behalf of

Metropolitan Stock Exchange of India Limited

Praveenkumar Acharya

AVP – Inspection and Membership Department