

National Stock Exchange of India

Circular

Department: Compliance	
Download Ref No: NSE/COMP/67266	Date: April 01, 2025
Circular Ref. No: 25/2025	

To All Members,

Sub: Reporting for Artificial Intelligence (AI) and Machine Learning (ML) applications and systems offered and used by market intermediaries

This is with reference to the SEBI circular no. SEBI/HO/MIRSD/DOS2/CIR/P/2019/10 dated January 4, 2019 and Exchange Circular NSE/COMP/59700 dated December 12, 2023 regarding the reporting of Artificial Intelligence (AI) and Machine Learning (ML) applications and systems offered and used by market intermediaries.

Accordingly, Trading Members are required to submit the details on the captioned matter for the period ending March 31, 2025, as per the applicability criteria given below:

Intermediary	Timeline for reporting of AI-ML applications	Submission for Period
Trading Members using Algorithm software	Half yearly basis within 15 calendar days of the expiry of the half year	From 01-Oct-2024 to 31-Mar-2025
Other Trading Members	Annually within 15 calendar days of the expiry of a year	From 01-Apr-2024 to 31-Mar-2025

The submission of AI-ML applications is mandatory for all active Trading Members of the Exchange (i.e. those who have executed even a single trade during the half year/annual period as mentioned above) irrespective of whether they are using AI-ML systems or not. The Trading Members who are not using AI-ML systems are also required to report NIL submission.

Kindly note, submission of AI-ML reporting should be done through the ENIT module. The URL for accessing ENIT portal is <https://enit.nseindia.com/MemberPortal/>



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Members are hereby informed and advised to submit the report through **NEW ENIT > COMPLIANCE > 'ML and AI' > ML and AI Details**. The ENIT link for submission shall remain active **from April 01, 2025 till April 15, 2025**. The user manual for submission of AI-ML data or NIL reporting is as attached as Annexure I.

Kindly note that failure to report AI-ML details within the prescribed timeline would be treated as non-compliance and attract a penalty of Rs. 10,000/- for respective period.

All members are advised to ensure submission on or before **April 15, 2025**.

For any support, please reach out to the helpdesk on 1800 266 0050 (Select IVR option 3) or email at memcompliance_support@nse.co.in.

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

**Swati Sopare
Chief Manager**

ANNEXURE I

User Manual For Electronic Reporting For Artificial Intelligence (AI) And Machine Learning (ML) Applications And Systems Offered And Used By Members (Electronic NSE Interface For Trading Members)

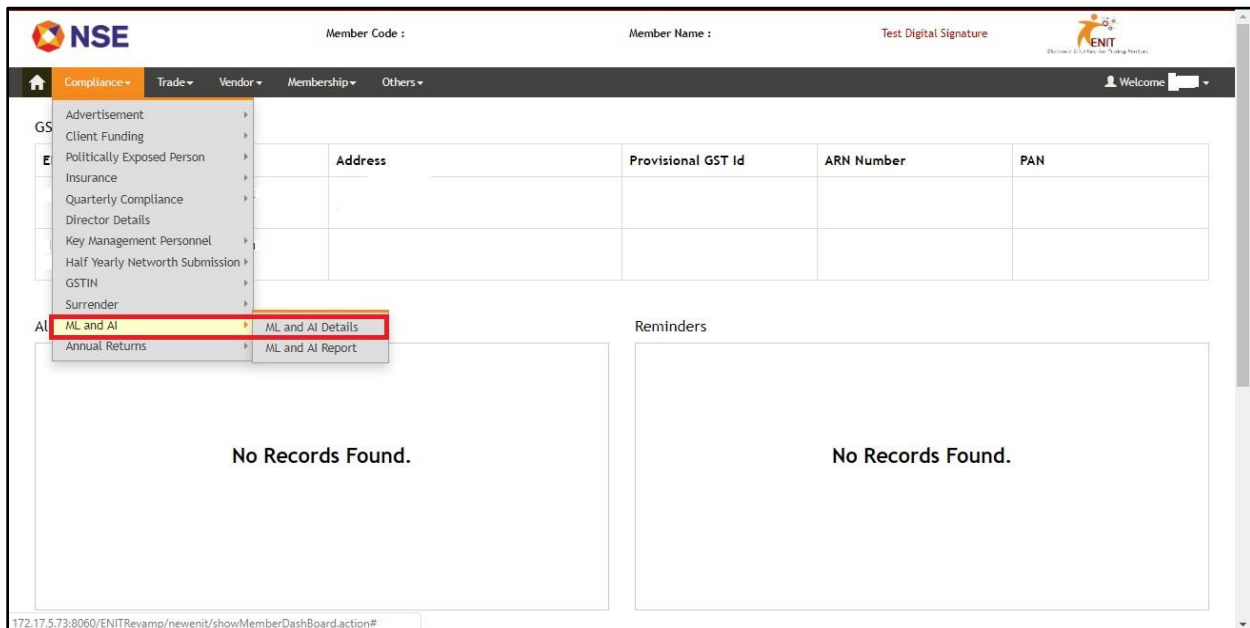
1.1 Half yearly/Annual Compliance for ML and AI

Trading members need to do the Reporting for Artificial Intelligence (AI) and Machine Learning (ML) applications and systems offered and used by them for every half year/annually as applicable. Using this module, user can submit the details.

1.1.1 ML and AI

[A] Open 'ML and AI' screen:

1. Login with correct member credentials.
2. Click on 'Compliance'.
3. Go to 'ML and AI'.
4. Select 'ML and AI details' & click on it.



The screenshot displays the NSE Member Dashboard interface. At the top, there is a header with the NSE logo, Member Code, Member Name, Test Digital Signature, and ENIT logo. Below the header is a navigation menu with options: Compliance, Trade, Vendor, Membership, and Others. The 'Compliance' menu is expanded, showing a list of options: Advertisement, Client Funding, Politically Exposed Person, Insurance, Quarterly Compliance, Director Details, Key Management Personnel, Half Yearly Networth Submission, GSTIN, Surrender, ML and AI, and Annual Returns. The 'ML and AI' option is highlighted with a red box, and its sub-menu is visible, containing 'ML and AI Details' and 'ML and AI Report'. The main content area is divided into two sections: 'Address' and 'Reminders'. Both sections display 'No Records Found.' The URL at the bottom of the page is 172.17.5.73:8060/ENITRevamp/newenit/showMemberDashBoard.action#.

Below screen will open & user has to fill all editable fields. This form will contain dropdowns, texts and fields to be filled.

‘Name of Trading Member, Entity SEBI Reg. No., Entity PAN No. and Registered Entity Category’ are the auto populated fields which are disabled.

The submission period (as applicable) will be populated on the screen as highlighted below in red.

*For Trading Members using Algorithm software

You are submitting for the period of 01-Oct-2024 to 31-Mar-2025

System Details

System Details*

<p>Application / System name* <input type="text"/></p> <p>Type of area where AI or HL is used* <input type="text" value="Select Type"/></p> <p>Does the system fall under discretionary investment or Portfolio management activities?* <input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>Is the application/system used in area of Cyber Security to detect attacks* <input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>What is the name of the Tool / Technology that is categorized as AI and HL system / Application and submissions are declared vide this response* <input type="text"/></p> <p>Are the key controls and control points in your AI or HL application or systems in accordance to circular of SEBI that mandate cyber security control requirements?* <input type="text"/></p> <p>Describe the application / system and how it uses AI / HL as portrayed in the product offering* <input type="text"/></p> <p>Does system audit report comply to circular no. SEBI/HO/MIRSD/DOS2/CIR/P/2019/10 dated January 4, 2019 of SEBI* <input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p>	<p>Date from when the Application / System was used* <input type="text"/></p> <p>Does the system involve order initiation, routing and execution?* <input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>Does the system disseminate investment or trading advice or strategies?* <input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>What claims have been made regarding AI and HL Application / System , if any? * <input type="text"/></p> <p>How was the AI or HL project implemented* <input type="text" value="Select Type"/></p> <p>Is the AI / HL system included in the system audit, if applicable?* <input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>What safeguards are in place to prevent abnormal behavior of the AI or HL application / System* <input type="text"/></p> <p>Is there any adverse comment in the System audit report* <input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p>
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*For other Trading Members

You are submitting the request for 01-Apr-2024 to 31-Mar-2025

System Details

System Details*

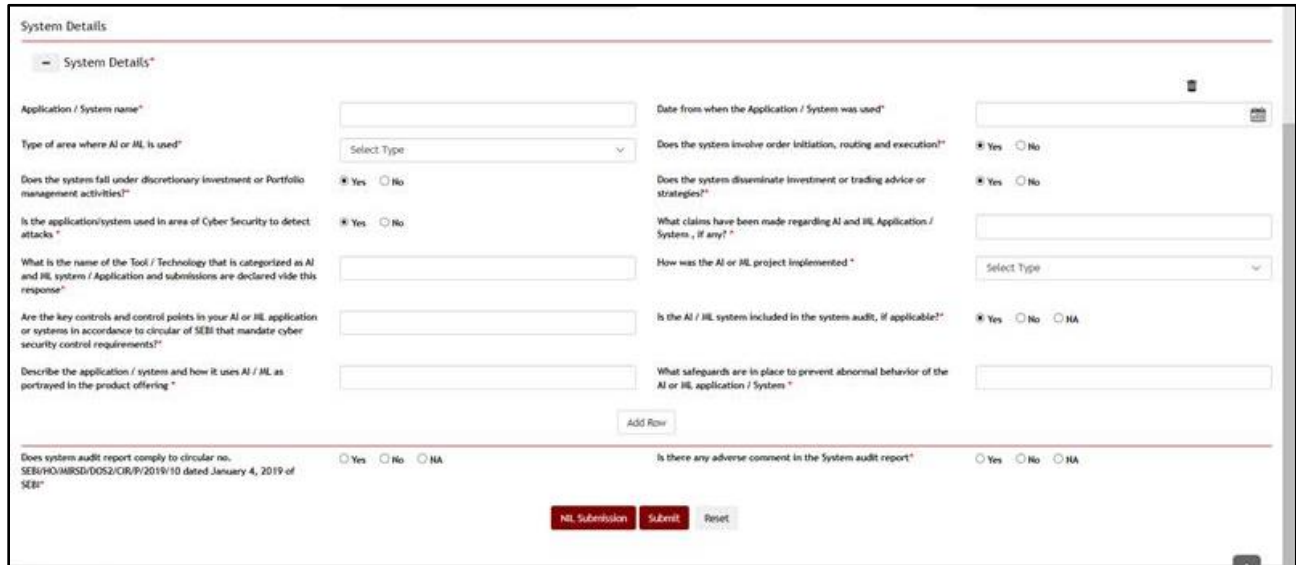
<p>Application / System name* <input type="text"/></p> <p>Type of area where AI or HL is used* <input type="text" value="Select Type"/></p> <p>Does the system fall under discretionary investment or Portfolio management activities?* <input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>Is the application/system used in area of Cyber Security to detect attacks* <input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>What is the name of the Tool / Technology that is categorized as AI and HL system / Application and submissions are declared vide this response* <input type="text"/></p> <p>Are the key controls and control points in your AI or HL application or systems in accordance to circular of SEBI that mandate cyber security control requirements?* <input type="text"/></p> <p>Describe the application / system and how it uses AI / HL as portrayed in the product offering* <input type="text"/></p> <p>Does system audit report comply to circular no. SEBI/HO/MIRSD/DOS2/CIR/P/2019/10 dated January 4, 2019 of SEBI* <input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p>	<p>Date from when the Application / System was used* <input type="text"/></p> <p>Does the system involve order initiation, routing and execution?* <input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>Does the system disseminate investment or trading advice or strategies?* <input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>What claims have been made regarding AI and HL Application / System , if any? * <input type="text"/></p> <p>How was the AI or HL project implemented* <input type="text" value="Select Type"/></p> <p>Is the AI / HL system included in the system audit, if applicable?* <input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p> <p>What safeguards are in place to prevent abnormal behavior of the AI or HL application / System* <input type="text"/></p> <p>Is there any adverse comment in the System audit report* <input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA</p>
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Add Row

User needs to fill/select other details as required in the form under ‘System Details 1’.

In case user wants to report more than one such AI-ML system, user needs to click on ‘Add Row’ button and a new ‘System Details 2’ will be available to fill the details. Similarly, user can create as many ‘System Details’ as he wants – by clicking on ‘Add Row’ button.

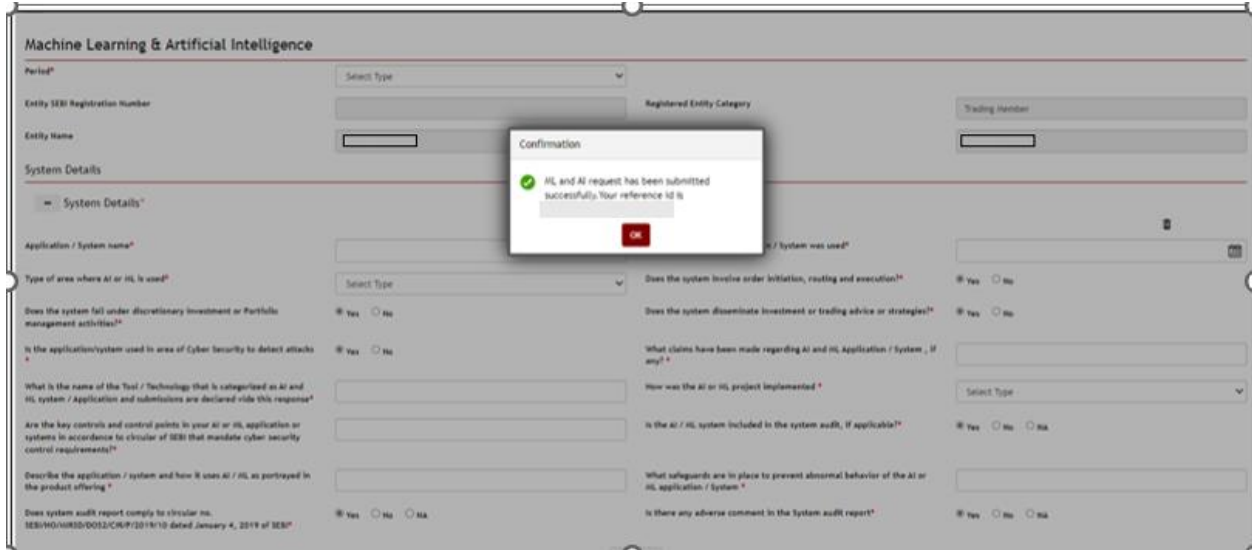
If AI-ML systems are not used by members and user wants to report accordingly, user needs to click on NIL submission.



[B] Submitting the details:

1. Once user has finished filling the details and clicked on Submit OR
2. User has clicked on NIL submission.

The successful alert is seen when user submits the details successfully. It will also generate a Reference No. as follows:



Machine Learning & Artificial Intelligence

Period*

Entity SEBI Registration Number

Registered Entity Category

Trading Member

Entity Name

System Details

System Details*

Application / System name*

Type of area where AI or ML is used*

Does the system fall under discretionary investment or Portfolio management activities?* Yes No

Does the system involve order initiation, routing and execution?* Yes No

Does the system disseminate investment or trading advice or strategies?* Yes No

Is the application/system used in area of Cyber security to detect attacks Yes No

What claims have been made regarding AI and ML Application / System , if any? *

How was the AI or ML project implemented ?

What is the name of the Tool / Technology that is categorized as AI and ML system / Application and submissions are declared vide this response*

Are the key controls and control points in your AI or ML application or systems in accordance to circular of SEBI that mandate cyber security control requirements?*

Is the AI / ML system included in the system audit, if applicable? Yes No N/A

Describe the application / system and how it uses AI / ML, as portrayed in the product offering *

What safeguards are in place to prevent abnormal behavior of the AI or ML application / System *

Does system audit report comply to circular no. SEBI/HO/HRD/D012/CAP/2019/10 dated January 4, 2019 of SEBI? Yes No N/A

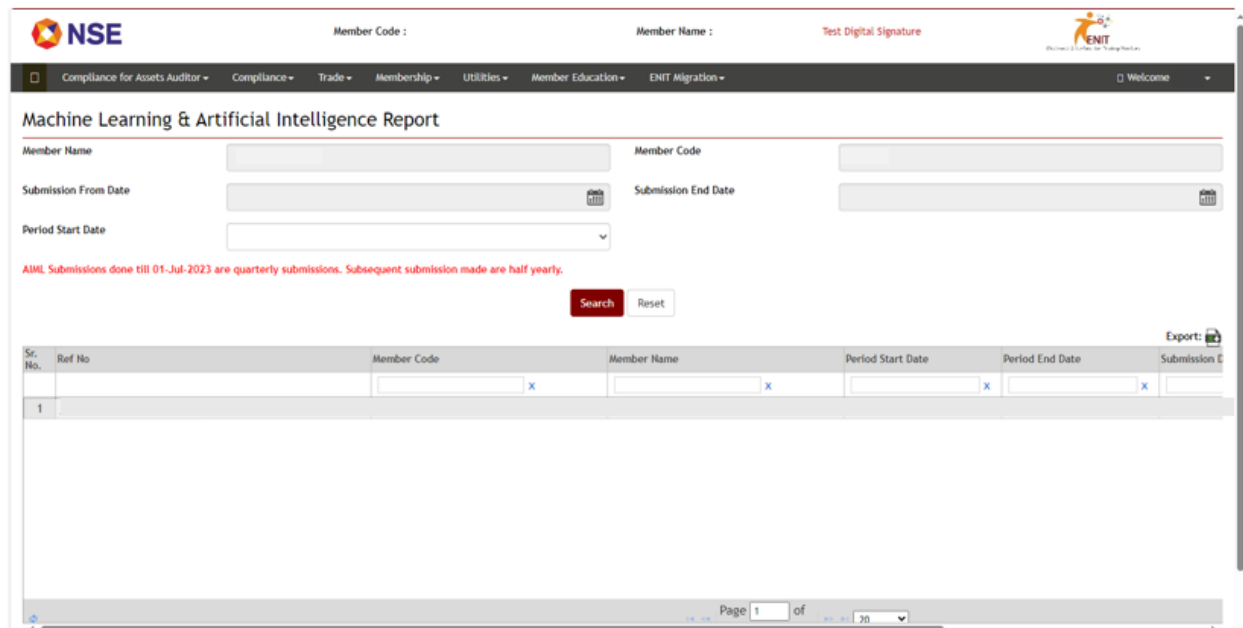
Is there any adverse comment in the System audit report? Yes No N/A

Confirmation

ML and AI request has been submitted successfully. Your reference id is

When AI-ML submission is done successfully, the same will reflect under “ML and AI Report” section.

*Note – AI-ML Submission done till 01-Jul-2023 are quarterly submissions. Subsequent submissions made are half yearly/annually.



Machine Learning & Artificial Intelligence Report

Member Name

Member Code

Submission From Date

Submission End Date

Period Start Date

AIML Submissions done till 01-Jul-2023 are quarterly submissions. Subsequent submission made are half yearly.

Sr. No.	Ref No	Member Code	Member Name	Period Start Date	Period End Date	Submission E
1		X	X	X	X	

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