
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all trading members of the Exchange

Circular No. : NCDEX/Member Tech Compliance-002/2024

Date : February 05, 2024

Subject : Submission of Action Taken Report Pertaining to Cyber Security and Cyber Resilience Audit of Trading Members

This is with reference to the Exchange Circular No. NCDEX/Member Tech Compliance-007/23 dated October 27, 2023, regarding **“Cyber Security and Cyber Resilience Audit of the Members of the Exchange (Type III)”**.

Trading Members are required to take corrective action for each non-compliance reported by auditor and submit Action Taken Report for said non-compliances. On review of details of corrective action submitted by trading member, the auditor shall submit the status of compliance as Compliant or Non-Compliant on through ATR, as per below mentioned timelines.

Audit Period	Last date for Submission
Half Yearly	Action Taken Report (ATR)
(April 23 – September 23)	February 29, 2024

Further, trading members are requested to take note of the Exchange circular NCDEX/Member Tech Compliance-005/23 dated October 09, 2023, regarding “Revised Penalties/disciplinary action(s)/charges for non-submission of Cyber Security & Cyber Resilience Audit Report related submissions”. The details of Penalties/disciplinary action(s)/charges have been provided in Annexure - A.

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

For and on behalf of
National Commodity & Derivatives Exchange Limited

Ravindra Shetty
Senior Vice President – Member Tech Compliance

For further information / clarifications, please contact

1. Customer Service Group on toll free number: 1800 26 62339
2. Customer Service Group by e-mail to : askus@ncdex.com

Annexure – A

Penalty/Disciplinary action for Delayed / Non-submission of Preliminary audit / ATR / Follow-on audit Report

The following penalty/disciplinary actions as provided in Table A would be initiated against the trading member for Delay/Non-submission of Preliminary Audit Report / Corrective Action Taken Report and Follow-on audit report.

Table - A

Details of Violation	Period of violation	Penalty/disciplinary actions	Penalty/disciplinary action in case of repeated violation
Delay / Non submission of Preliminary audit/ATR / Follow on audit report as recommended by the auditor in case of cyber security and cyber resilience audit report.	From 1 st day to 7 th day:	Charges Rs. 1,500/- per day for Non QSB & Rs. 3,000/- per day for QSB from the due date till first 7 calendar days or submission of report, whichever is earlier.	In case of a repeat instance by the Member, levy of applicable monetary penalty along with an escalation of 50%.
	From 8 th day to 21 st day:	Charges of Rs. 2,500/- per day for Non QSB & Rs.	Levy of applicable monetary penalty along
		5,000/- per day for QSB from 8th calendar day after the due date to 21st calendar day or submission of report, whichever is earlier.	with an escalation of 50%.
	From 22 nd day onwards:	In case of non-submission of report till 21st calendar days, new client registration shall be prohibited and notice of 7 calendar days for disablement of trading facility till submission of report, shall be issued. The disablement notice issued to the member will be shared with all the Exchanges for information.	
	After 28 th day:	In case of non-submission of report by 28th calendar day, Member shall be disabled in all segments till submission of report.	

Further, trading members are also required to submit closure status of all the non-compliances reported in Cyber Audit by submitting Corrective Action Taken Report (ATR) i.e., within 3 months from the due date of submission of Preliminary Audit Report. In Order to ensure strict adherence for closure of non-compliances within the prescribed timelines, following penalty as provided in Table-B shall be applicable for each High/Medium/Low risks non-compliance, which has not been closed in ATR as per prescribed timelines.

Table - B

Risk rating reported by auditor	Applicable penalties for each High/Medium/Low risk non-closure of non-Compliances, which have not been closed in ATR (i.e., within prescribed timelines of submission of due date of preliminary audit report)	
	Non QSB Trading Members (In Rs.)	QSB Trading Members (In Rs.)
High Risk	50,000	100,000
Medium Risk	25,000	50,000
Low Risk	5,000	10,000
- 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). - The disablement notice issued to the trading members 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, Trading Member shall be disabled in all segments until closure of all observations(s).		

Note:

Submission of Action Report shall be considered complete only after Auditor submits the report to the Exchange.