

**National Stock Exchange Of India Limited****Department : Inspection**

Download Ref No: NSE/INSP/46686

Date : December 16, 2020

Circular Ref. No: 75/2020

To All Trading Members,

**Sub: Penalty structure for Late/Non submission of undertaking to freeze the bank account pursuant to SOP in the cases of Trading Member leading to default**

This has reference to Exchange circulars NSE/INSP/45626 and NSE/INSP/46173 dated September 07, 2020 and October 27, 2020 respectively wherein Trading members were required to submit an undertaking to the Exchanges by October 31, 2020. Undertaking shall be empowered to exchange to instruct the bank(s) of the Trading Member to freeze the bank account(s) for debits in case of trading member leading to default. Also, members shall submit a revised Undertaking to Exchange within seven working days of opening of any new bank account or change in details of any existing bank account.

The Exchange in consultation with other Exchanges has formulated an indicative penalty structure for any non-compliance of the provisions of the aforementioned circular. The penalty structures are enclosed at **Annexure A**.

The structure is indicative in nature and the Relevant Authority of the Exchange may, on case to case basis and based on the gravity of the violation, deal with such non-compliances.

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

**For and on behalf of****National Stock Exchange of India Limited****Subhankar Chowdhury  
Senior Manager-Inspection**

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

<b>Regional Office</b>	<b>E MAIL ID</b>
Ahmedabad (ARO)	<a href="mailto:inspectionahm@nse.co.in">inspectionahm@nse.co.in</a>
Chennai (CRO)	<a href="mailto:inspection_cro@nse.co.in">inspection_cro@nse.co.in</a>
Delhi (DRO)	<a href="mailto:delhi_inspection@nse.co.in">delhi_inspection@nse.co.in</a>
Kolkata (KRO)	<a href="mailto:inspection_kolkata@nse.co.in">inspection_kolkata@nse.co.in</a>
Mumbai(WRO)	<a href="mailto:compliance_wro@nse.co.in">compliance_wro@nse.co.in</a>
Central Help Desk	<a href="mailto:compliance_assistance@nse.co.in">compliance_assistance@nse.co.in</a>

**Annexure A**

**Penalty structure for Late/Non submission of data towards undertaking to freeze the bank account**

<b>Details of contravention</b>	<b>Disciplinary Action/Charges</b>
Non/partial (all bank account details are not included) submission of undertaking	<p>In case of non-submission- Rs. 50,000</p> <p>In case of non-submission till January 31, 2021 - 15 days notice for disablement shall be issued on February 01, 2021</p> <p>In case of non-submission till February 15, 2021 - Member shall be disabled in all segments across exchanges w.e.f. February 16, 2021</p>
Non-submission of additional /addendum undertaking within 7 days of new bank account opening	<p>Submission within 1 month from the due date – Rs.1,000 per account per day</p> <p>In case of non-submission after 1 month - 15 days notice for disablement</p> <p>In case of non-submission after 15 days notice period - Member shall be disabled in all segments across exchanges</p>
Material wrong submission or incorrect submission of data towards SOP	Rs. 30,000 per account