

# National Stock Exchange of India Limited

## Circular

DEPARTMENT: INSPECTION	
Download Ref No: NSE/INSP/62813	Date: July 05, 2024
Circular Ref. No : 46 /2024	

To All Trading Members,

### **Sub: Enforcement actions against the Trading Members**

This is with reference to Exchange Circular NSE/INSP/53530 dated September 2, 2022 on Enforcement actions against the Trading Members which is modified as below.

Trading Members are informed as follows:

#### **1. Schedule I (B) Sr. No. 63 for observation 'Member has not maintained pre order confirmation of trades':**

SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018 mandates Trading Members to maintain evidence of pre-order placement for trades of clients.

Non-compliance to above Circular such as non-maintenance or not providing pre-order placement evidence for trades of clients when sought, shall be construed by the Exchange as unauthorized trade executed by the Trading Member as said trades were executed without the consent of the client. Accordingly, penalty structure with respect to unauthorized trades informed vide Exchange Circular No. NSE/ISC/60035 dated December 29, 2023 and similar circulars issued from time to time, shall be applicable to the above mentioned non-compliance.

#### **2. Schedule I – penalties where 'Advice' and 'Warning' is applicable:**

In case where current applicable action as per the penalty structure mentioned in the Exchange Circular No. NSE/INSP/53530 dated September 2, 2022 is 'Advice' or 'Warning' and the Exchange observes repeated violation of the same nature and magnitude subsequently, in such cases, the said action shall be escalated including monetary penalty.

There is no change in the penalty structure where current applicable action is 'monetary penalty' as per Exchange Circular No. NSE/INSP/53530 dated September 02, 2022.

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## National Stock Exchange of India Limited

In view of the above, Exchange Circular NSE/INSP/53530 dated September 2, 2022, on Enforcement actions against the Trading Members stands modified to the extent of above-mentioned details.

This circular shall come into immediate effect.

All Members are advised to take note of the above.

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

**Kapil Marwah  
Associate Vice President – Inspection**

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

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