

**National Stock Exchange Of India Limited**
**Department: INVESTOR SERVICES CELL**

Download Ref No: NSE/ISC/47659

Date: March 17, 2021

Circular Ref. No: 04/2021

To All Members and Market Participants,

Sub: Amendment to penalty structure

This is in partial modification to Exchange Circular No.328/2017; Download Ref. No. NSE/INSP/36581 dated December 26, 2017 regarding penalty to be levied on the cases of unauthorized trading.

The said penalty structure has now been reviewed and revised as follows:

Details of contravention	Penalty
Unauthorised trading determined by Grievance Redressal Committee (GRC) / Arbitration	i. Monetary Penalty per case may be higher of Rs.10,000/- or 1% of the admissible amount determined in the GRC / Arbitration order / award ii. Member will be debarred from taking new clients for a period of one month in case 25% of all the complaints (not less than 10) placed before GRC / Arbitration in the immediate preceding calendar quarter are determined by it to be unauthorise trading cases. iii. Where the number of unauthorise trading cases as per the numbers indicated at (ii) persist for three consecutive quarters, the member concerned will be debarred from taking new clients for a period of three months. iv. The number of unauthorise trading cases as per numbers indicated at (ii) persist beyond three consecutive quarters, the matter will be placed before the relevant Committee.

The revised penalty structure shall be applicable for the cases in respect of trades executed from April 1, 2021 determined as unauthorise trades by the GRC order / Arbitration Award.

For any clarifications, members may contact the Investor Services Cell of the Exchange

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

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