

## National Stock Exchange of India

### Circular

Department: Compliance	
<b>Download Ref No:</b> NSE/COMP/50030	<b>Date:</b> October 21, 2021
<b>Circular Ref. No:</b> 96/2021	

To All Members,

### Sub: Market Access through Authorised Persons

1. Attention of Members' is drawn to Exchange circular NSE/INSP/42448 dated October 18, 2019, which mandates Members to exercise adequate control and due diligence over the activities & transactions of their Authorised Persons (APs) and conduct their periodic inspection in the manner as specified therein.
2. In this regard, Exchange has provided an online system in ENIT for reporting of the inspections/supervision undertaken by the Members. The same can be accessed at <https://enit.nseindia.com/MemberPortal/> at the following path : **Compliance Tab → Authorised Persons → Inspection of Authorised Persons**. The reporting shall be done in the following manner:
  - a) All inspections undertaken during a financial year including the quantum should comply with guidelines prescribed in Exchange circular NSE/INSP/42448 dated October 18, 2019.
  - b) Inspections undertaken during a particular quarter shall be reported within one month from end of the said quarter. For instance:

Inspections undertaken during the FY	Due date of reporting
Inspections done during the Quarter-1	July 31, XXXX
Inspections done during the Quarter-2	Oct 31, XXXX
Inspections done during the Quarter-3	Jan 31, XXXX

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Inspections undertaken during the FY	Due date of reporting
Inspections done during the Quarter-4	April 30, XXXX

- c) In the first phase Members are required to report details of all inspections undertaken during FY 2020-21 and for quarter-1 & 2 of FY 2021-22 latest by November 30, 2021. Subsequently all inspections shall be reported in the manner stated in para 2 (b) above from quarter 3 FY 2021-22 onwards.
- The manual for reporting the aforementioned information is enclosed as **Annexure-A**. Members are advised to carefully go through the same for the purpose of reporting.
- Members are also hereby notified that they shall be mandatorily required to report any incidence, observed by them, involving assured returns or any unauthorised schemes operated by the AP, to the Exchange, within 2 working days. The reporting shall be made electronically through the link as provided in para 2 above i.e. <https://enit.nseindia.com/MemberPortal/>. Members, additionally, shall also take necessary measures, as mentioned in SEBI circular MIRSD/DR-1/Cir-16/09 dated November 06, 2009, including filing of police complaint, upon noticing such incidence. Exchange may also require Members to obtain confirmation from their clients that there are no claims against such AP.
  - Members should undertake necessary due diligence & background screening of the applicants at the time of their onboarding as an AP. Members should restrict entities with names which may mislead clients/investors, including names with "Portfolio/wealth management/advisory" without a valid SEBI registration. The Exchange shall reject any AP application, where it is of the opinion that the name of the applicant is misleading or does not reflect the activities permitted to be undertaken by an AP.
  - As stipulated in Exchange circular NSE/COMP/48536 dated June 09, 2021, it is re-iterated that APs are not permitted to undertake activities such as providing assured/guaranteed return schemes, unauthorised portfolio management & investment schemes etc. as well as directly accepting or paying/delivering any funds and securities from/to the clients/investors. It is responsibility of the Members to ensure that all APs registered with them are complying with the regulatory requirements

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and do not undertake any non-permitted activities. Members shall be liable for all such acts of its APs and/or their Directors/Partners, employees etc., including liabilities arising therefrom.

All Members are advised to take note of the same and ensure compliance.

For any support, please reach out to the helpdesk on 1800 266 0050 (Select IVR option 3) or email us at [memcompliance\\_support@nse.co.in](mailto:memcompliance_support@nse.co.in).

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

**Srijith Menon  
Associate Vice President**