

<b>Version</b>	<b>2024/01.02</b>
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<b>Review &amp; Approved by</b>	<b>Reviewed by Technology Committee &amp; Approved by Board of Directors</b>

**1. Purpose:**

The purpose of this policy is to establish a standardized framework and procedure for addressing technical glitches in the electronic trading systems of stock brokers, in compliance with SEBI & Exchange Circulars.

**2. Definitions:**

**2.1** Technical Glitch: Any malfunction in the systems of the stock broker, including hardware, software, networks, processes, or any products or services provided in electronic form, which results in the stoppage, slowing down, or variance in the normal functions/operations/services for a contiguous period of five minutes or more.

**3. Responsibilities:**

**3.1** Designated Officer: Appoint a Designated Officer who will be responsible for overall coordination and compliance with this policy. The Designated Officer will serve as the point of contact for reporting technical glitches to the stock exchanges.

**3.2** Reporting Officer: Designate a Reporting Officer responsible for timely reporting and documentation of technical glitches as per the defined process.

**4. Process for Technical Glitch:**

**4.1 Incident Reporting:**

In the event of a technical glitch, the stock broker shall immediately notify the stock exchanges, but not later than one hour from the time of occurrence by sending an email to the designated email address provided by the stock exchange, in addition to any other prescribed reporting channels.

The incident report should include the following information:

- a. Date and time of the incident
- b. Nature and impact of the glitch
- c. Immediate actions taken to rectify the problem

**4.2 Preliminary Incident Report:**

The stock broker shall submit a Preliminary Incident Report to the stock exchange within one business day of the incident. This report shall include the date, time, details, and impact of the incident, as well as the immediate actions taken to rectify the problem.

**4.3 Root Cause Analysis (RCA) Report:**

The stock broker shall submit a detailed Root Cause Analysis Report to the stock exchange within 14 days from the date of the incident. The RCA report shall include the time of incident, cause of the technical glitch (including vendor-related causes, if applicable), chronology of events, impact analysis, and details of corrective/preventive measures taken or planned.

**4.4 Reporting Email Address:**

All technical glitches shall be reported to the stock exchanges through the designated email address: [infotechglitch@nse.co.in](mailto:infotechglitch@nse.co.in).

## **5. Escalation Matrix:**

### **5.1 Internal Escalation:**

Establish an internal escalation matrix within the stock broker's organization, clearly defining the hierarchy of escalation for technical glitches. This ensures that incidents are appropriately escalated to higher authorities for timely resolution.

#### **5.1.1 Procedure for Internal Escalation:**

1. When a technical glitch occurs, the Reporting Officer shall be responsible for initiating the internal escalation process.
2. The Reporting Officer shall immediately notify the next level of escalation in the matrix about the incident, providing all relevant information and documentation.
3. The escalated level shall review the incident and determine the appropriate actions to be taken.
4. If the escalated level is unable to resolve the incident within the defined timeframe or faces challenges beyond their expertise, they shall escalate the matter to the next level in the matrix.
5. The escalation process shall continue until the incident reaches the Designated Officer.

**5.2 Stock Exchange Escalation:** In case of severe technical glitches or non-compliance with reporting requirements, the stock broker shall escalate the matter to the stock exchange as per their defined escalation process.

#### **5.2.1 Procedure for Stock Exchange Escalation:**

1. The Designated Officer shall assess the severity of the technical glitch and the need for stock exchange escalation.
2. If the glitch is severe or if it is necessary as per the stock exchange's guidelines, the Designated Officer shall initiate the stock exchange escalation process.
3. The Designated Officer shall follow the prescribed procedures outlined by the stock exchange for reporting and escalating technical glitches.
4. All relevant information and documentation shall be provided to the stock exchange as required.

## **6. Incident Description and Chronology:**

### **6.1 Incident Description:**

The stock broker shall provide a detailed incident description, including the date, time, and a brief account of the observed glitch. Additional sheets may be used if necessary.

**6.2 Chronology of Events:** Document a chronological sequence of events leading to the technical glitch, including any relevant observations and actions taken. Additional sheets may be used if necessary.

## **7. Immediate Actions Taken:**

**7.1 Immediate Action Report:** Document the immediate actions taken to rectify the technical glitch, providing a detailed account of the steps taken. Additional sheets may be used if necessary.

## **8. Root Cause Analysis:**

**8.1 Conducting RCA:** Perform a thorough root cause analysis of the technical glitch to identify the underlying causes and contributing factors. The RCA report should be attached separately and include a summary of the root cause, impact analysis, and details of corrective/preventive measures taken or planned.

**8.2 Vendor Analysis:** If the technical glitch is vendor-related, include an analysis of the root cause from the vendor's perspective, along with any remedial actions taken or recommendations made.

## **9. Training and Awareness:**

**9.1** The stock broker should conduct regular training and awareness programs for its employees to ensure their understanding of this policy, their roles and responsibilities, and the reporting procedures for technical glitches.

**9.2** Records of the training programs conducted, including attendance registers and training materials, should be maintained by the stock broker.

## **10. Compliance and Disclosures:**

- 10.1** Financial Disincentives: Stock brokers shall comply with any financial disincentives imposed by the stock exchanges for non-compliance with reporting requirements.
- 10.2** Disclosure on Website: The stock broker shall disclose this policy on their official website and ensure it is readily accessible to all concerned stakeholders.

## **11. Review and Amendments:**

This policy shall be reviewed periodically to ensure its effectiveness and compliance with any changes in SEBI regulations. Amendments to this policy shall be made as necessary and communicated to all relevant parties.