Joint Press Release on Ease of Doing Business - Rationalization and Standardization of penalties levied on Trading Members

Stockbrokers have membership in multiple exchanges, and each exchange follows its own framework for taking penal actions for the violations / non-compliances identified by them. Differential penalty structure across exchanges has often resulted in inconsistencies, regulatory arbitrage for stockbrokers.

In order to enhance ease of doing business / compliance, transparency and to standardize penalty structure, Securities and Exchange Board of India (SEBI) constituted a Working Group with the mandate to review, harmonize, and streamline the penalty framework applicable across all stock exchanges. The Working Group was constituted keeping in mind a balanced stakeholders representation comprising of members from all recognized stock exchanges and stockbroker associations viz. ANMI, BBF & CPAI.

Accordingly, the Working Group proposed a penalty structure for SEBI's consideration. SEBI, after reviewing the proposal, provided the penalty structure to be adopted by all stock exchanges. Procedural lapses may not be viewed and measured through the same regulatory lens as that of material violation / non-compliance, and accordingly financial penalties arising out of some of the erstwhile procedural violations / non-compliances have been classified as 'financial disincentive'.

This unified framework is expected to promote ease of doing business / compliance for stockbrokers.

Mumbai
October 10, 2025

About NSE:

National Stock Exchange of India (NSE) was the first exchange in India to implement electronic or screen-based trading. It began operations in 1994 and is ranked as the largest stock exchange in India in terms of total and average daily turnover for equity shares every year since 1995, based on SEBI data. NSE has a fully integrated business model comprising exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings. NSE also oversees compliance by trading, clearing members and listed companies with the rules and regulations of SEBI and the exchange. NSE is a pioneer in technology and ensures the reliability and performance of its systems through a culture of innovation and investment in technology. NSE is the world's largest derivatives exchange by trading volume (contracts) as per the statistics maintained by Futures Industry Association (FIA) for calendar year 2024. NSE is ranked 2nd in the world in equity segment by number of trades (electronic order book) in 2024, as per the statistics maintained by World Federation of Exchanges (WFE).

For more information, please visit: www.nseindia.com

For any media queries please contact: Email ID - cc@nse.co.in

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About BSE:

BSE is Asia's oldest exchange and the world's largest exchange in terms of the number of listed companies. BSE has been playing a prominent role in developing the Indian capital market and has successfully offered an efficient capital raising platform to many companies in India. The benchmark index of BSE, Sensex, is tracked by investors across the globe is also considered as a barometer for the growth of Indian Economy. BSE provides an efficient and transparent market for trading in equity, debt instruments, equity derivatives, currency derivatives, interest rate derivatives, mutual funds, stock lending and borrowing.

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About MCX:

MCX, operational since 2003, is India's leading commodity derivatives exchange, and the largest Commodity Options Exchange globally (FIA, 2024), with a market share of about 98% in terms of the value of commodity futures contracts traded in financial year 2024-25. With pan-Indian presence, MCX serves as a dynamic platform for the Indian commodity market ecosystem, offering dual advantages of fair price discovery and efficient risk management. It offers trading in a diverse range of commodities, spanning multiple segments including bullion, energy, metals and agri commodities, as well as sectoral commodity indices. The exchange has forged strategic alliances with various international exchanges, as well as Indian and international trade associations. For more information about MCX and its products, visit: www.mcxindia.com

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About National Commodity & Derivatives Exchange Limited (NCDEX):

National Commodity & Derivatives Exchange Limited (NCDEX) is a professionally managed on-line, multi commodity exchange focusing on revolutionizing India's agricultural sector. NCDEX is India's largest agricultural derivatives exchange. NCDEX was incorporated on April 23, 2003 as a public limited company and commenced operations on December 15, 2003 as a recognized association under The Forward Contracts (Regulation) Act, 1952. Effective September 28, 2015, the Exchange became a deemed recognized stock exchange under the Securities Contracts (Regulation) Act, 1956 under the regulation of Securities and Exchange Board of India (SEBI). NCDEX's Raison d' etre is to serve as an efficient platform for Price Discovery and Price Risk Management and this has been consistently demonstrated over the past two decades. We offer a diverse range of products such as commodity futures, options in goods and index futures that open a plethora of opportunities to cater to the needs of various sets of participants in the agri value chain. Our product basket has been evolving over the years and

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it is our endeavor to have an expanding product portfolio including agri and non agri commodities and also offer financial products like different types of indices. Technology is core to Exchange functioning, and we are the first domestic Exchange to operate from an Uptime-certified Tier-IV data centre. The larger NCDEX Group through its subsidiaries, provides an integrated and holistic market infrastructure including Clearing & Settlement services, Repository services and even an e-Auction Platform. NCDEX is deeply committed to the national objective of upliftment and development of farmers and agricultural sector in general and our relentless efforts to connect the primary producer to the Exchange has paved the way for sustainable and inclusive growth of our agrarian economy.

For more information, please visit: www.ncdex.com

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ABOUT MSE:

Metropolitan Stock Exchange of India Limited (MSE) is the youngest Exchange of the Country. MSE holds recognition and license from SEBI to operate as a Stock Exchange in Currency Derivatives, Equity Derivatives, Equity and Debt Segment. The Exchange has embarked on an audacious goal for creating innovative customized products across asset classes and leveraging a distribution strategy in the country by partnering with ecosystem players to increase participation from various echelons of the society.

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