

Circular No.: NSDL/POLICY/2021/0102

October 04, 2021

Subject: Facility to submit Quarterly Report of Artificial Intelligence (AI) and Machine Learning (ML) applications and systems offered and used by market intermediaries on e-Pass system.

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2019/0016 dated March 27, 2019 wherein all Participants were informed about reporting of AI and ML applications and systems offered and used by market intermediaries and format thereof for reporting purpose on a quarterly basis.

In this context, Participants are hereby informed that NSDL has developed a facility for submission of quarterly report of AI and ML through online portal i.e. e-PASS (<https://www.epass.nsd.com/>). The procedure for submission of the report on e-PASS is enclosed at **Annexure-A**.

Participants are requested to take note to submit the quarterly report of Artificial Intelligence (AI) and Machine Learning (ML) on e-PASS system from the quarter ended September 30, 2021 onwards.

For any information / clarifications, Participants are requested to contact NSDL Help Desk at (022) 2499 4600 or email at helpdesk@nsdl.co.in.

For and on behalf of
National Securities Depository Limited

Chirag Shah
Senior Manager

Enclosed: One

FORTHCOMING COMPLIANCE

Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10th of the following month.	Through e-PASS	Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015
Artificial Intelligence /Machine Learning Reporting Form (if offering or using such technologies as defined) - (Quarterly)	By 15th of the following month.	Through e-PASS	1. Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015 2. Circular No. NSDL/POLICY/2021/0102 dated October 04, 2021
Cyber Security & Cyber Resilience framework of Depository Participants - (Quarterly)	By 15th of the following month	Through e-PASS	Circular no. NSDL/POLICY/2020/0069 dated May 15, 2020.
Risk Assessment Template (April - September)	October 31st, every year	Through e-PASS	1. Circular No. NSDL/POLICY/2015/0046 dated April 30, 2015 2. Circular No. NSDL/POLICY/2018/0050 dated September 25, 2018
Internal/ Concurrent Audit Report (April - September)	November 15th every year	Through e-PASS	Circular No NSDL/POLICY/2021/0048 dated May 11, 2021

Annexure A

Procedure of submission of Quarterly Report of Artificial Intelligence (AI) and Machine Learning (ML) through e-PASS

Participants are hereby informed that a new feature has been incorporated on e-Pass portal to facilitate Participants to submit the quarterly report of AI and ML. We have introduced new option viz., 'AI and ML Report' under menu viz., 'DP Periodical Reports'. On clicking this option, it will display two sub-menus as under:

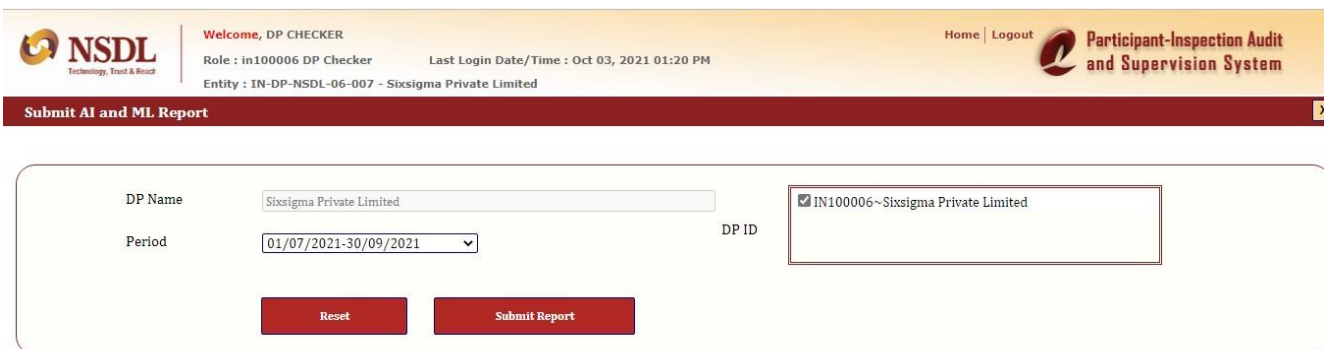
- Submit AI and ML Report: This section will enable user to capture/submit the Report.
- View/Search AI and ML Report: This section will populate all reports submitted by the Participant.

The AI and ML Report can be submitted by Checker user. Checker user shall fill the report and submit the report by clicking on sub menu 'Submit AI and ML Report' under the option viz., 'AI and ML Report' as exhibited below.



The screenshot shows the top navigation bar of the e-PASS portal. On the left is the NSDL logo. The main navigation menu includes 'e-info', 'DP Periodical Reports', and 'AI and ML Report'. Under 'AI and ML Report', there are two sub-menus: 'Submit AI and ML Report' and 'View /Search AI and ML Reports'. The user's role is identified as 'DP CHECKER'.

On clicking on the sub menu viz., Submit AI and ML Report, the system will be redirected to next screen as exhibited below wherein user will be required to select Period for which Report is to be submitted and DP ID(s) and click on 'Submit Report'.



The screenshot shows the 'Submit AI and ML Report' form. It includes a header with the NSDL logo and user information. The form fields are: 'DP Name' (Sixsigma Private Limited), 'Period' (01/07/2021-30/09/2021), and 'DP ID' (IN100006~Sixsigma Private Limited). There are two buttons at the bottom: 'Reset' and 'Submit Report'.

After Click on 'Submit Report', user will be directed to submit AI and ML Report as exhibited below.



Welcome, DP CHECKER

Role : in100006 DP Checker Last Login Date/Time : Oct 03, 2021 01:20 PM

Entity : IN-DP-NSDL-06-007 - Sixsigma Private Limited

Home | Logout


**Participant-Inspection Audit
and Supervision System**

Quarterly Report Of AI & ML Application X

Compliance Period: e-Token Configuration Download PDF

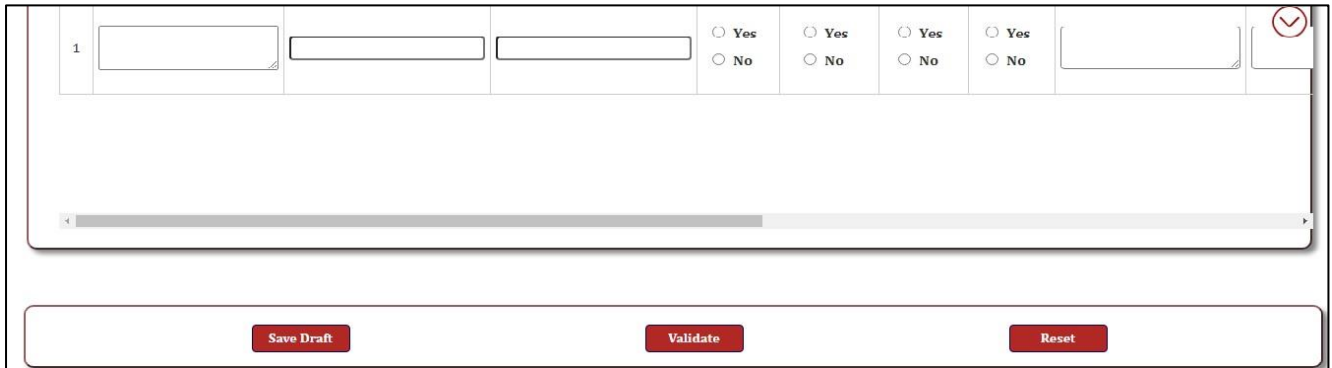
Annexure 1 - Form to report on AI and ML technologies – To be submitted quarterly
Intimation to Stock Exchange / Depository for the use of the AI and ML application and systems.

Sr. No.	Head	Value
1	Entity SEBI registration number	<input type="text" value="IN-DP-NSDL-06-007"/>
2	Registered entity category	<input type="text" value="DP"/>
3	Entity name	<input type="text" value="in100006 DP Checker"/>

Sr. No.	Application / System name	Date from when the Application / System was used	Type of area where AI or ML is used	Does the system involve order initiation, routing and execution?	Does the system fall under discretionary investment or Portfolio management activities?	Does the system disseminate investment or trading advice or strategies?	Is the application / system used in area of Cyber Security to detect attacks	What claims have been made regarding AI and ML Application / System – if any?	What is the Tool / Technology categorized as AI and ML system / Application and submissions are declared vide this response
4	Entity PAN no. <input style="width: 100%;" type="text"/>								
1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	<input type="text"/>	<input type="text"/>

Sr. No.	Is the application / system used in area of Cyber Security to detect attacks	What claims have been made regarding AI and ML Application / System – if any?	What is the name of the Tool / Technology that is categorized as AI and ML system / Application and submissions are declared vide this response	How was the AI and ML project implemented	Are the key controls and control points in your AI or ML application or systems in accordance to circular of SEBI that mandate cyber security control requirements	Is the AI / ML system included in the system audit, if applicable?	Describe the application / system and how it uses AI / ML as portrayed in the product offering	What safeguards are in place to prevent abnormal behavior of the AI or ML application / System	Activity
1	<input type="radio"/> Yes <input type="radio"/> No	<input type="text"/>	<input type="text"/>	<input type="text" value="(see below)"/>	<input type="text"/>	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> Yes <input type="radio"/> No	+

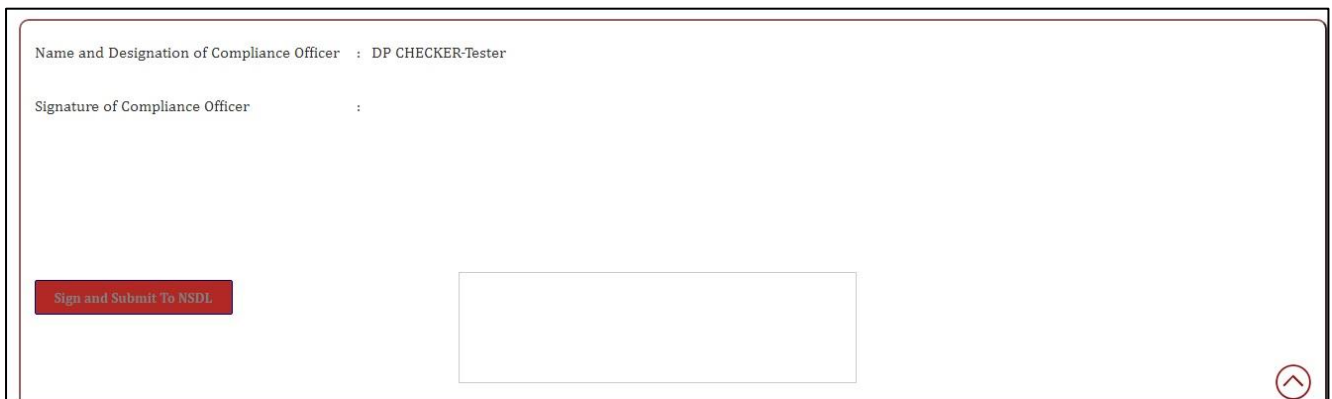
Users are required to fill report horizontally and can add multiple reports (in case multiple applications are used for AI and ML) by clicking on 'plus (+)' button. User can click "Save" button to save the draft at any point in time while filling the report. The user can view the saved report under 'view/search reports' option. Further, user can click "Reset" button to reset the filled quarterly report [as exhibited below].



The screenshot shows a horizontal form interface. At the top left, there is a tab labeled '1'. The form contains several input fields, followed by four pairs of radio buttons labeled 'Yes' and 'No'. A 'plus (+)' button is visible in the top right corner. Below the form, there is a horizontal bar with three buttons: 'Save Draft', 'Validate', and 'Reset'.



Once the report is filled completely, the user will need to click on 'validate' button. If there are any error/s the same would be highlighted which are required to be corrected by the user and once again need to click on button 'validate'.

Once AI and ML Report is validated successfully, then the user is required to digitally sign the same and submit the AI and ML Report to NSDL by clicking on "Sign and submit to NSDL" button as exhibited below.



The screenshot shows a form for digital signing and submission. It includes the text: "Name and Designation of Compliance Officer : DP CHECKER-Tester" and "Signature of Compliance Officer :". Below this, there is a red button labeled "Sign and Submit To NSDL" and a large empty rectangular box for a signature. A 'plus (+)' button is visible in the bottom right corner.

Once the report get submitted, user will be able to view the report on link 'View/Search AI and ML Report' provided under option viz., 'AI and ML Report' as exhibited below.

 NSDL <small>Technology, Trust & Reach</small>	<p>Welcome, DP CHECKER Role : in100006 DP Checker Last Login Date/Time : Jan 01, 1900 12:00 AM Entity : IN-DP-NSDL-06-007 - Sixsigma Private Limited</p>	<p>Home Logout  Participant-Inspection Audit and Supervision System</p>
e-info	DP Periodical Reports	
	AI and ML Report	▶ Submit AI and ML Report
		View /Search AI and ML Reports