

Circular No.: NSDL/POLICY/2024/0003

January 05, 2024

Subject: Reporting for Artificial Intelligence (AI) and Machine Learning (ML) applications and systems offered and used by market intermediaries

Attention of Participants is invited to circular no. NSDL/POLICY/2023/0142 dated October 05, 2023 and NSDL/POLICY/2019/0016 dated March 27, 2019 regarding Reporting for Artificial Intelligence (AI) and Machine Learning (ML) applications and systems offered and used by market intermediaries in accordance with SEBI circular No.: SEBI/HO/MIRSD/DOS2/CIR/P/2019/10 dated January 04, 2019. As per aforesaid circular Registered Depository Participants using AI and ML based application or system as defined in Annexure B, are required to fill in the form (Annexure A) and make submission to Depositories on quarterly basis within 15 calendar days of the expiry of the quarter.

As per the communication received from SEBI, the frequency of submission of aforesaid report on AI and ML applications and systems has been changed from '**quarterly**' to '**annually**'. Participants are advised to take note of aforesaid change and submit the report on AI and ML applications and systems in the prescribed format (Annexure A) as per revised timelines mentioned below with immediate effect:

Report	Current Timeline	Revised Timeline
Depository Participants using AI and ML based application or system as defined in Annexure B, are required to fill in the form (Annexure A).	Quarterly basis within 15 calendar days of the expiry of the quarter	Annually, within three months of the end of the financial year.

Further, for applications and Systems belonging but not limited to the categories of AI and ML technology, Participants may refer to Annexure B of the SEBI circular dated January 4, 2019.

The submission of aforesaid AI and ML applications report is mandatory for all Participants irrespective of whether they are using AI and ML systems or not. Participants not using AI and ML systems are required to submit NIL submission.

All Participants have to submit this report of AI and ML on e-PASS portal for the Financial Year Ended March 31, 2024 onwards within three months of the end of the financial year.

**National Securities Depository Limited**

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All Participants are requested to take note of the above and ensure compliance.

**For and on behalf of
National Securities Depository Limited**

**Arockiaraj
Manager**

FORTHCOMING COMPLIANCE

Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10 th of the following month	Through e-PASS	1. Para 20 of NSDL Master Circular for Participants on 'Grievance Redressal' chapter. 2. Circular No.: NSDL/POLICY/2023/0161 dated November 13, 2023
Compliance Certificate (half yearly)	January 31 st	Through e-PASS	Para 17 of NSDL Master Circular for Participants on 'Internal Controls/Reporting to NSDL/SEBI' chapter.
Artificial Intelligence /Machine Learning Reporting Form (if offering or using such technologies as defined) (Quarterly)	By 15 th of the following month.	Through e-PASS	Para 10 of NSDL Master Circular for Participants on 'Internal Controls/Reporting to NSDL/SEBI' chapter.
Cyber Security & Cyber Resilience framework of Depository Participants (Quarterly)	By 15 th of the following month.	Through e-PASS	Para 2.59 of NSDL Master Circular for Participants on 'Internal Controls/Reporting to NSDL/SEBI' chapter.
Reporting of status of the alerts generated by Participants (Quarterly)	Within 15 days from end of the quarter	Through e-PASS	Para 11.7 of NSDL Master Circular for Participants on 'Internal Controls/Reporting to NSDL/SEBI' chapter.


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