Department: Membership	Segment: All
Circular No: MSE/MEM/16107/2024	Date : October 04, 2024

Subject: Reporting for Artificial Intelligence (AI) and Machine Learning (ML) and systems offered and used by Market Intermediaries

To All Members,

As per Exchange Circular MSE/MEM/7285/2019 dated February 4, 2019 and MSE/MEM/7499/2019 dated April 3, 2019, Members of the Exchange are required to report the details regarding "Artificial Intelligence (AI) and Machine Learning (ML) applications and systems offered and used" as per the guidelines / format specified in SEBI circular no. SEBI/HO/MIRSD/DOS2/CIR/P/2019/10 dated January 4, 2019.

Further, Exchange issued circular MSE/MEM/14585/2023 dated December 13, 2023 regarding change in submission timeline for reporting of Artificial Intelligence (AI) and Machine Learning (ML) applications and systems offered and used by market intermediaries.

In view of the above, Trading Members are required to submit the details on the captioned matter for the Half Year ended September 2024, as per the applicability criteria given below:

Intermediary	Timeline for reporting of AI/ML applications
Trading Members using Algorithm software	Half yearly basis within 15 calendar days of the expiry of the half year (i.e. From 01-April-2024 to 30-Sep-2024)

The link for submission for the same is https://enhancedsupervision.msei.in/ and is open and till October 15, 2024. User Manual is attached as Annexure 1.

For any clarifications, members may email on membership@msei.in

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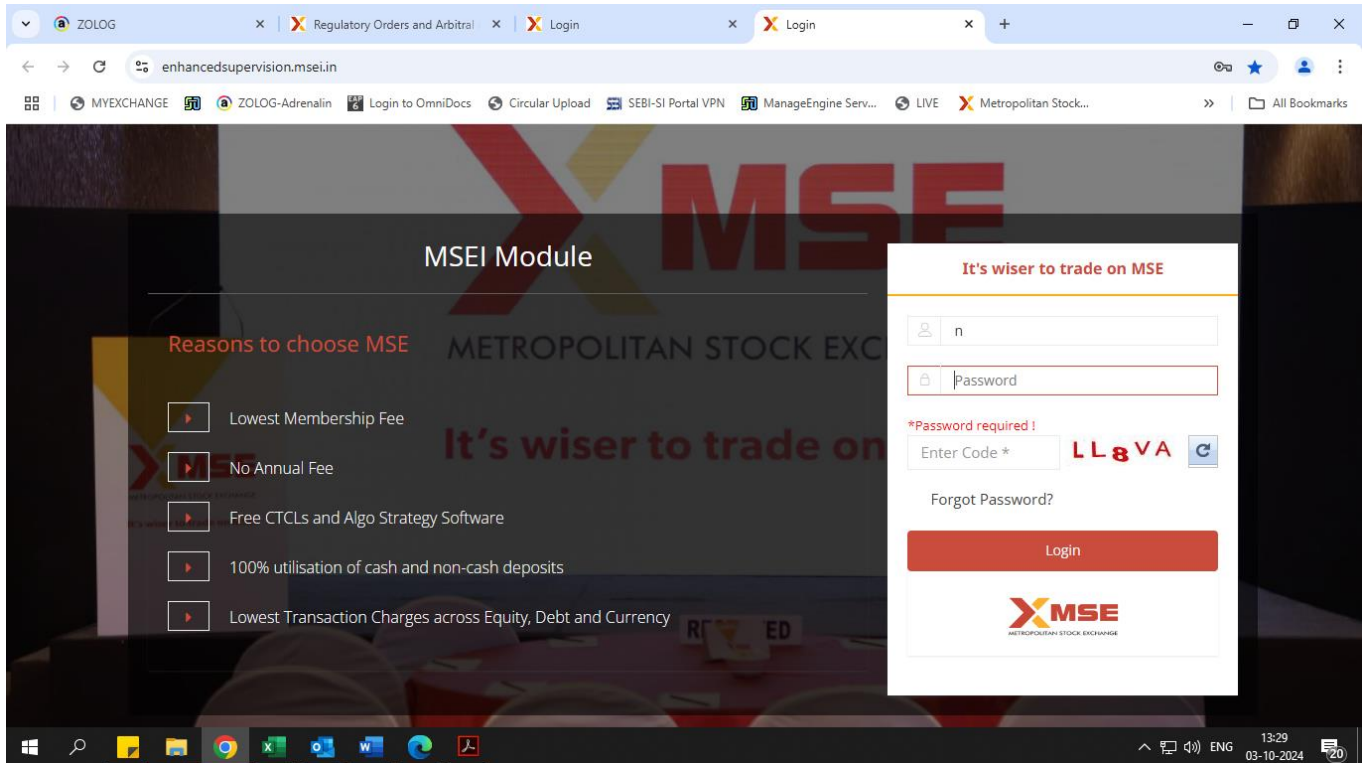**Metropolitan Stock Exchange of India Limited**

Praveenkumar Acharya
AVP –Membership
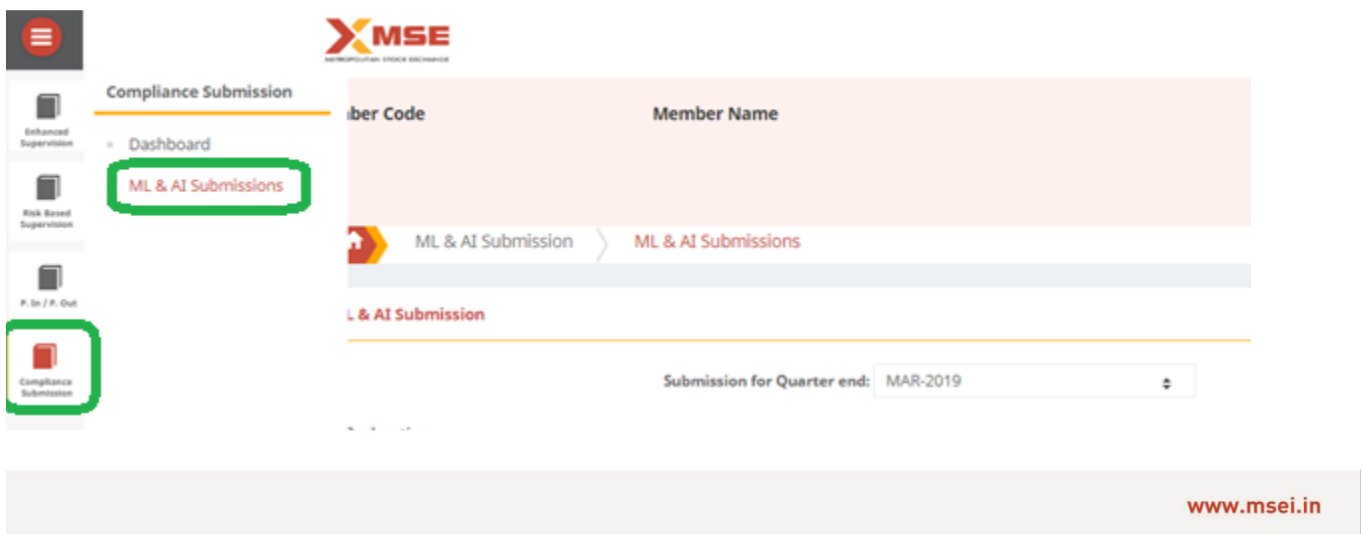
Metropolitan Stock Exchange of India Limited

Registered Office: 205A, 2nd Floor, Piramal Agastya Corporate Park, Kamani Junction, LBS Road, Kurla (West), Mumbai – 400070.
Tel: +91-22-6112 9000 | customerservice@msei.in | www.msei.in | CIN: U65999MH2008PLC185856

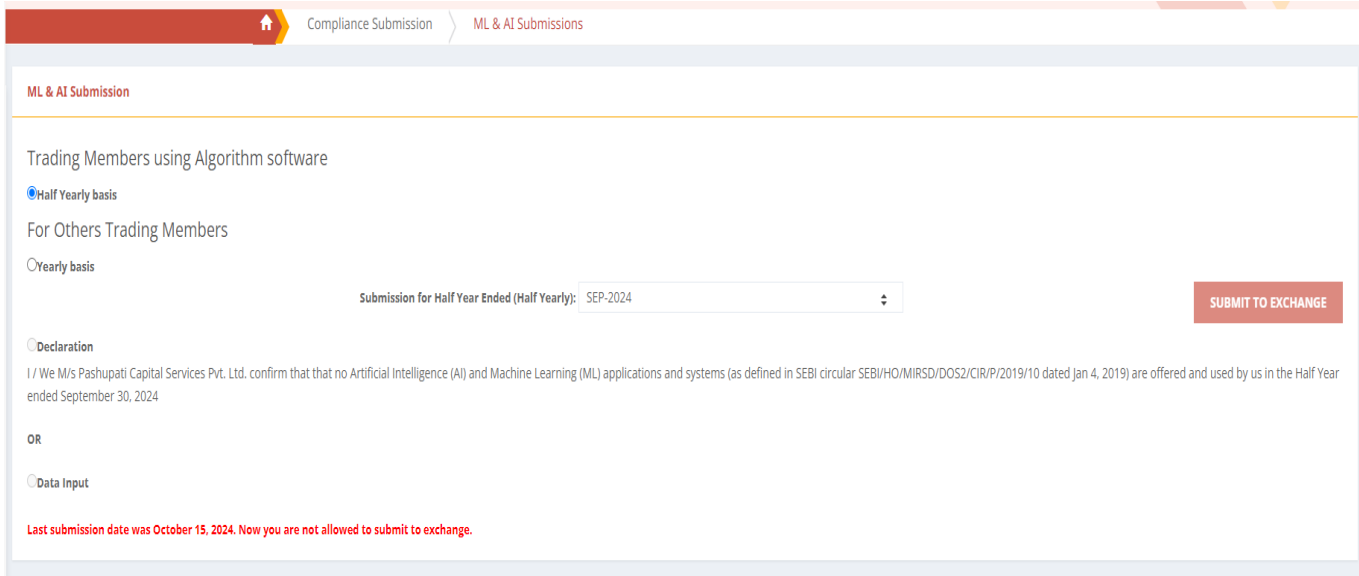**Procedure to submit report on AI and ML applications and systems.**

I. **Login to the Exchange portal https://enhancedsupervision.msei.in/ using your login and password**

II. **In the "Compliance submission" Tab select the "ML and AI submission" link (highlighted in below screenshot)**
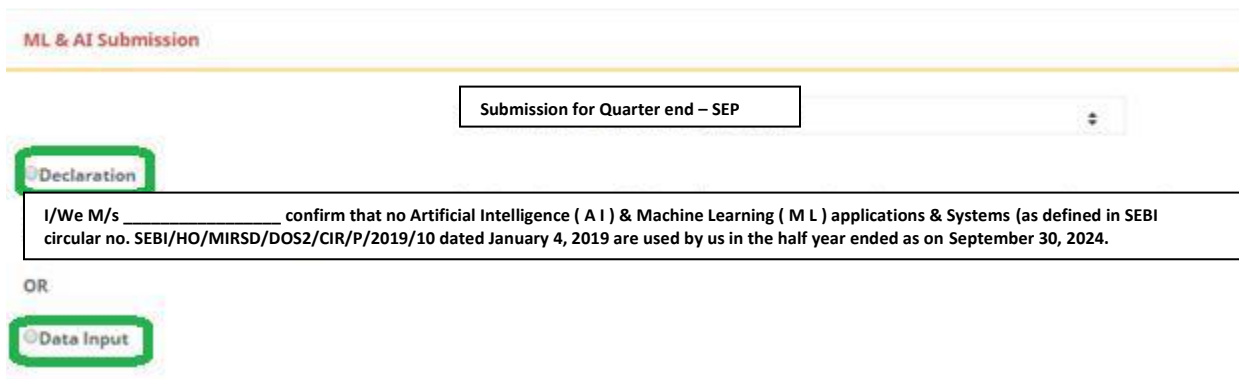
III. Below screen will be displayed, select the option as mentioned for the required period.

IV. In case there are no AI and ML applications / systems being offered or used, select the radio button marked as declaration (in the below screenshot) and submit the application to the Exchange.

In case AI and ML applications are offered / used, click on the Data Input "radio button" to fill in the details as required by the SEBI circular and submit the same to the Exchange.

V. In case of multiple AI and ML applications / systems are being used by the member, fill in the details for each system and click on the Add button (included in below screenshot) to save the same. Once the details for all applications / systems have been saved, the data can be submitted to the Exchange.

Data Input

▸ Application / System name

▸ Date from when the Application / System was used

▸ Type of area where AI or ML is used   `Select`

▸ Does the system involve order initiation, routing and execution?   `Select`

▸ Does the system fall under discretionary investment or Portfolio management activities?   `Select`

▸ Does the system disseminate investment or trading advice or strategies?   `Select`

▸ Is the application / system used in area of Cyber Security to detect attacks   `Select`

▸ 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 or ML project implemented   `Select`

▸ 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?   `Select`

▸ 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

Add