



NOTICE

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| Notice No. | 20260415-26 |
| Notice Date | 15 Apr 2026 |
| Category | Settlement/RMS |
| Segment | General |
| Department | ICCL |
| Subject | Submission of Half Yearly Internal Audit Report by Clearing Members |
| Attachments | Annexure-I ; Annexure-II ; Annexure-III ; Annexure-IV ; User Manual |

To All Clearing Members (Clearing for other Stockbroker and/or Custodial Participants Code)

This is with reference to ICCL's Notice no. 20240322-55 dated March 22, 2024, ICCL's Notice no. 20241014-19 dated October 14, 2024, ICCL's Notice no. 20250415-9 dated April 15, 2025 and ICCL's Notice no. 20251017-26 dated October 17, 2025 wherein all Clearing Members are required to carry out complete Internal Audit for the half year ended March 31, 2026.

The submission of Internal Audit Report (IAR) by Clearing Members necessitates the online uploading of all pertinent documents through ICCL's Electronic Filing system (IEFS) accessible through:

<https://iefs.bseindia.in> >> Internal Audit Report (Please refer attached -User Manual)

The appointment of Internal Auditor shall be in accordance with the guidelines for appointment of Internal Auditors issued by BSE vide circular no. 20231215-55 dated December 15, 2023.

Further, Internal Auditors are advised to take note of below while carrying out the Audit:

1. In cases where samples have been prescribed, auditors are required to procure the data from the clearing members. Auditors are advised to refer Annexure III carefully before initiating the audit. The samples for parameters/ criteria shall be as per the "Guidelines on sample selection" prescribed in Annexure III and the data required for the same may be sourced from the member.
2. For each "Not complied" observation, wherever applicable, the auditor shall mandatorily provide the "no. of instances verified" and "Amount/value involved where non-compliance is observed" while submitting the Report.
3. Internal auditors are required to give the details of the sample verified (sample date, shortlisted sample etc) wherever applicable. The formats for the same are given in Annexure IV.
4. The Internal Audit Certificate (Annexure I) should be digitally signed.
5. The Annexure II which is the Format of Internal Audit Report shall be submitted in excel file and as a PDF document. The PDF version of Annexure II shall be digitally signed by both the auditor and the clearing member along with management comments of the clearing member.
6. Auditors are also required to provide the compliance status of observations of previous inspections/internal audit and provide the details of last observations in case of repeat violation at Point No. K of the internal audit checklist.

Please find enclosed the following Annexures applicable for the Internal Audit Report for half year ended March 31, 2026:

- Internal Audit Certificate - Annexure I
- Format of Internal Audit Report - Annexure II
- Guidelines on sample selection & other points to be noted - Annexure III
- List of samples verified - Annexure IV

Please note that the internal audit report with complete annexures shall be treated as valid submission to ICCL.

Further, as advised by SEBI and to enhance the ease of doing compliance and reduce operational difficulties faced by Members/Audit Firms, it has been decided that the auditors empanelled with any of the Exchange(s), shall be eligible to conduct internal audit of the Clearing Members.

Clearing members undertaking clearing activities for at least one trade during the period from October 01, 2025 to March 31, 2026 for other stock-brokers and/or for custodian participants code (their direct trading clients or otherwise) are required to carry out Internal Audit and submit the report to ICCL.

It is to be noted that the due date to submit the Internal Audit Report is within two months from the end of the half year ended March 31, 2026 that is May 31, 2026.

The penalties/disciplinary actions for late/non-submission of the Internal Audit Report shall be as per ICCL notice no. 20240322-55 dated March 22, 2024. The penalties/disciplinary action for non-compliances reported in the Internal Audit Report shall be as prescribed by ICCL circular no. ICCL notice no. 20231229-11 dated December 29, 2023 or any other relevant circular that may be issued by ICCL from time to time.

In case of any clarifications, members are requested to kindly contact iccl.membership@icclindia.com or by direct phone at 022-22725825/5671/8365.

For and on behalf of the Indian Clearing Corporation Ltd.

Anita Bhatia

Chief Regulatory and Compliance Officer