

Department: Inspection	Segment: All
Circular No: MSE/INSP/11947/2022	Date : June 15, 2022

Subject: Implementation of Two Factor Authentication

To All Members,

Member's attention is drawn to SEBI circular SEBI/HO/MIRSD/CIR/PB/2018/147 dated December 03, 2018, on Cyber Security & Cyber Resilience framework for Stockbrokers, wherein all Members were required to mandatorily implement two-factor authentication on application offered by Members to customers through Internet Based Trading (IBT) and Securities Trading through Wireless Technology (STWT).

In joint consultation with SEBI and Exchanges, it is hereby clarified that, in addition to user ID, Members shall preferably use biometric authentication as one of the authentication factors, along with any one of the below-mentioned factors:

1. Knowledge factor (something only the user knows): - for e.g. Password, PIN.
2. Possession factor (something only the user has): - for e.g. OTP, security token, authenticator apps on smartphones etc. In case of OTP, the same should be sent to clients through both email and SMS on their registered email ID and Mobile number.

In cases, where biometric authentication is not possible, Members shall use both the aforementioned factors (Knowledge factor and Possession factor), in addition to the user ID, for 2-factor authentication (2FA). It is to be noted that the abovementioned authentication shall be implemented on every login session by the client to IBT and STWT.

The above guidelines shall be implemented latest by September 30, 2022.

Members are requested to take note of the contents of the circular and comply.

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

**Mahendra Choudhari
AVP – Inspection and Membership Department**

In case of any query kindly contact Inspection Department on 6112 9000 or mail on compliancemsx@msei.in

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