

Department: Inspection	Segment: All
Circular No: MSE/INSP/17687/2025	Date: Aug 25, 2025

Subject: Clarification on Information Technology / Cybersecurity Committee at QSBs

To All Members,

This is with reference to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/24 dated February 06, 2023, on “Enhanced Obligations and Responsibilities on Qualified Stockbrokers (QSBs)”. Further, MSE vide circular no MSE/INSP/13570/2023 dated June 02, 2023 issued Comprehensive Operating Guidelines for Qualified Stockbrokers (QSBs).

As per point no 8.1.2 of SEBI circular dated February 06, 2023 and serial no. 01 of Annexure A of MSE circular dated June 02, 2023, “QSBs shall have committees of the Board of Directors (BoD) or analogous body such as Audit Committee (for listed QSBs), Nomination and Remuneration Committee, Risk Management Committee, Information Technology (IT) Committee, Cybersecurity Committee and any other committee as mandated by SEBI from time to time”.

Subsequently, SEBI vide circular no. SEBI/HO/ITD-1/ITD_CSC_EXT/P/CIR/2024/113 dated August 20, 2024, updated the Cybersecurity and Cyber resilience framework (CSCRF) for SEBI Regulated Entities (REs). Point no.3.3 of said SEBI circular inter-alia states that QREs/QSBs “shall constitute an ‘IT committee’, which shall mandatorily include at least one (01) external independent expert on cybersecurity. For common reference in CSCRF, mentioned committees (Technology Committee, and IT Committee) shall be termed as ‘IT Committee for REs’.”

Based on the representations received from QSBs and in consultation with SEBI, it is clarified that QSBs can constitute/maintain one Information technology (IT) committee instead of two separate committees (IT & Cyber Security) and said IT Committee shall mandatorily include at least one external independent expert on cybersecurity. The IT Committee can look into the functions of both IT committee and cyber security committee as provided in the applicable circulars.

The provisions of this circular shall come into effect as per the timelines mandated by SEBI for implementation of CSCRF circular.

All Members are advised to take note of the above & comply.

In case of any query kindly contact Inspection Department on (022) 6112 9000, Extn. 9039, 9040, 9041, 9042 & 9078 or mail on compliancemsx@msei.in or inspectionmsx@msei.in.

For and on behalf of
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