

## **Annexure I – Syllabus Outline**

### **NISM-Series-XIV**

#### **Internal Auditors for Stock Brokers Certification Examination**

##### **Objective of the Examination**

The examination seeks to create a common minimum knowledge benchmark for Auditors (who are chartered accountants, company secretaries or cost and management accountants), who carry out Internal Audit of the Operations of Stock Brokers/Clearing Members.

On successful completion of the examination the candidate should:

- Know regulatory framework under which the stock brokers perform their various activities.
- Understand the various operations performed by the Stock brokers
- Understand the various compliance and reporting requirements from audit perspective.

##### **Examination Specifications**

This is a computer-based examination with multiple choice questions.

The examination consists of 100 questions of 1 mark each adding to 100 marks.

The examination should be completed in 2 hours.

There shall be negative marking of 25% of the marks assigned to the question for each wrong answer.

The passing score for the examination is 60 marks.

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**Syllabus Outline with Weightages**

<b>Unit No</b>	<b>Unit Name</b>	<b>Weightage</b>
<b>Part A: Regulatory Framework</b>		
1	Introduction to Internal Audit	5%
2	Understand the financial system and the regulatory framework	10%
3	SEBI Act, SCRA and SCRR	5%
4	SEBI Insider Trading Regulations	5%
5	SEBI (Fraudulent and Unfair Trade Practices) Regulations	5%
6	PMLA 2002	8%
7	SEBI Stock Brokers and Sub-Brokers Regulations	12%
<b>Part B: Operations</b>		
8	Introduction to Stock Broking Operations	16%
9	Risk Management	12%
10	Clearing and Settlement Process	12%
11	Investor Grievance Redressal	10%