

Annexure I – Syllabus Outline (w.e.f September 29, 2020)

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

Chapter No.	Chapter Name	Weightage
Part A: Regulatory Framework		
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 Regulations	7
Part B: Operations		
8	Introduction to Stock Broking Operations	16
9	Risk Management	12
10	Clearing and Settlement Process	12
11	Investor Grievance Redressal	10
12	Forensic Audit	5