

NISM

Establishment of Compliance and Reg Tech Simulation Lab

Requirement of Software Solution .

Background

The National Institute of Securities Markets (NISM) invites FinTech companies, software vendors, Reg Tech start-ups, and corporate sponsors to provide software modules for the proposed Compliance and Reg Tech Simulation Lab.

1. Software Modules Required

The vendor shall provide one or more of the following software modules:

- Broker Back-Office System
- Depository Participant (DP) Back-Office System
- Mutual Fund Back-Office System
- Real-Time Risk Management System (RMS)
- Anti-Money Laundering (AML) Compliance Software

The software shall support educational, training, simulation, compliance testing, and regulatory learning purposes.

2. Dummy Data and Sandbox Environment

The vendor shall provide a fully functional sandbox environment along with comprehensive dummy/sample data covering realistic end-to-end business scenarios.

The sandbox environment shall support:

- Cash Segment
- Equity Derivatives
- Currency Derivatives
- Commodity Derivatives
- Mutual Fund transactions and operations

The vendor shall ensure that licensed users are able to create, modify, test, and generate reports, alerts, and compliance scenarios within the sandbox environment without affecting production systems.

The vendor shall confirm that all dummy data supplied is fictitious, anonymized, and free from any confidential or proprietary client information.

3. Integration with Existing Infrastructure

NISM operates a simulation laboratory generating dummy trades across multiple market segments. The vendor shall facilitate integration of such simulated trades into the proposed software systems for post-trade processing and compliance simulations.

The vendor shall provide:

- API availability details
- API documentation and compatibility specifications
- Supported data formats and integration architecture
- Estimated implementation timeline
- Integration and testing methodology

The vendor shall ensure interoperability with third-party systems deployed within the NISM laboratory ecosystem.

4. Customization Requirements

The vendor may be required to customize, configure, or modify the software for integration with systems or applications supplied by other vendors.

Such customization shall include:

- API-based integrations
- Report generation modifications
- Compliance workflow changes
- Educational simulation requirements
- User role and access management

The vendor shall clearly specify:

- Scope of customization included in commercial terms
- Additional customization charges, if any
- Estimated timelines for customization requests

No customization shall adversely affect the stability, performance, or security of the software.

5. Software application and user License

Software

EXE-based or enterprise software installation at NISM premises or approved cloud environment

- Sample data covering end-to-end business processes.
- Sandbox access for educational purposes

User License

- Minimum 55 users, expandable up to and not limited to 1000 users

6. Educational Content Development.

- Time required to explain each software module
- Practice hours required in the sandbox environment
- Time required to complete more than 100 case studies

Case Study Requirements

The vendor shall develop a minimum of 100 case studies per software module based on recent circulars, regulations, and guidelines issued by SEBI, RBI, Exchanges, Depositories, AMFI, FIU-IND, and other relevant regulators.

The case studies shall include, but not be limited to:

- Trade lifecycle management
- Compliance breaches and resolutions
- Settlement failures
- Risk management scenarios
- Regulatory reporting
- Mutual fund compliance processes
- AML transaction monitoring and suspicious transaction reporting

All case studies shall be provided in digital format with detailed step-by-step solutions and workflow explanations.

NISM shall have perpetual academic usage rights over such educational content developed specifically for the project.

7. Training and Capacity Building

The vendor shall provide qualified training personnel for conducting training sessions for students, faculty members, and participants.

Training requirements include:

- Minimum two in-person sessions per week
- Additional sessions for Management Development Programs (MDPs), certifications, workshops, or special batches
- Technical demonstrations and hands-on practice sessions

The vendor shall provide:

- Comprehensive training material
- User manuals and technical documentation

- Operational guides for end-to-end processes
- Training presentations and reference materials

8. Technical Support and Maintenance

The vendor shall provide:

- On-call technical support during business hours
- Remote troubleshooting support
- Software patches and bug fixes
- Version upgrades during the contract period
- Dedicated escalation support personnel

The vendor shall define:

- Response and resolution timelines
- Support escalation matrix
- Downtime management procedures

9. Implementation Timeline

The vendor shall provide:

- Detailed implementation schedule
- Milestones and deliverables
- Testing and validation timelines
- Go-live plan
- User Acceptance Testing (UAT) support
- Transition and handover procedures

NISM reserves the right to independently verify all submitted information.

10. Confidentiality, Data Secrecy, Intellectual Property Rights, Non-Disclosure, and Non-Compete Obligations

10.1 Confidentiality Obligations

The vendor shall maintain strict confidentiality regarding all information, documents, systems, workflows, software configurations, business processes, training methodologies, simulation structures, case studies, reports, and operational frameworks relating to the Compliance and RegTech Simulation Lab.

The vendor shall not disclose, publish, reproduce, distribute, share, transfer, or communicate any information relating to the project, directly or indirectly, to any third party without prior written approval from NISM.

This obligation shall survive the expiry or termination of the contract.

10.2 Intellectual Property Rights

All project-specific deliverables, including but not limited to:

- Customized workflows
- Case studies
- Educational content
- Training manuals
- Simulation methodologies
- Reporting formats
- Integration frameworks
- Compliance scenarios
- User documentation

Custom developments created specifically for NISM shall become the exclusive intellectual property of NISM upon payment of agreed consideration.

The vendor shall not reuse, replicate, commercialize, license, or deploy any NISM-specific customization, educational framework, or project deliverable for any other institution or entity without prior written consent from NISM.

10.3 Non-Disclosure and Restricted Collaboration

The vendor shall not collaborate, directly or indirectly, with any academic institution, training institute, university, educational entity, private organization, public organization, or third-party service provider for creating a similar Compliance and RegTech Lab based on NISM's project architecture, methodologies, case studies, workflows, or confidential information.

This restriction shall remain applicable during the contract period and for a period of five (5) years after termination or expiry of the agreement.

10.4 Restriction on Publicity and Marketing

The vendor shall not use NISM's name, logo, project details, screenshots, case studies, workflows, or association for marketing, branding, presentations, advertisements, demonstrations, conferences, social media, or promotional activities without prior written permission from NISM.

10.5 Data Protection and Security

The vendor shall implement adequate administrative, technical, and physical safeguards to protect all project-related information against unauthorized access, disclosure, alteration, or misuse.

Any data breach, leakage, unauthorized disclosure, or cybersecurity incident shall be immediately reported to NISM.

The vendor shall be fully liable for damages arising due to negligence, misconduct, or failure to maintain confidentiality.

10.6 Injunctive Relief and Legal Remedies

The vendor acknowledges that any breach of confidentiality, intellectual property rights, or non-compete obligations may cause irreparable harm to NISM.

NISM shall have the right to seek:

- Immediate injunctive relief
- Damages and compensation
- Blacklisting of vendor
- Termination of contract
- Recovery of losses

Legal proceedings under applicable laws without prejudice to any other remedies available under law.

10.7 Binding Nature

The above confidentiality, intellectual property, and non-compete obligations shall be legally binding upon the vendor, its employees, affiliates, subcontractors, consultants, representatives, and associated entities.