

Internal Policy on Applicability of NISM Series VII – SORM/NISM Series VIII Certification

1. Purpose

This policy is framed to define the applicability and mandatory requirement of the **NISM Series VII - Securities Operations and Risk Management (SORM) and NISM Series VIII Certification** for employees and relevant personnel of CapitalSquare Financial Services Pvt. Ltd. (“the Company”).

The objective is to ensure that personnel engaged in securities operations and risk-related functions possess adequate knowledge, competence, and regulatory understanding.

2. Regulatory Background

The **NISM Series VII - SORM Certification**, prescribed by the National Institute of Securities Markets (NISM), is intended to enhance operational integrity, risk awareness, and compliance standards among securities market intermediaries, including stock brokers, trading members, and associated persons.

The Company recognises this certification as a key professional qualification supporting compliance with regulatory expectations of securities market regulators, including the Securities and Exchange Board of India (SEBI) and stock exchanges such as:

- National Stock Exchange of India
- BSE Limited

3. Applicability of Certification

The NISM Series VII - SORM/NISM Series VIII Certification shall be obtained for the following categories of personnel:

3.1 Mandatory Roles

- Operations staff (Back Office / Middle Office)
- Risk management personnel
- Compliance team members
- Settlement and reconciliation staff
- Surveillance and monitoring team members
- Authorised Persons involved in operational support functions

3.2 Condition for Employment / Continuation

- New employees in applicable functions must obtain certification **within 6 months of joining**



- Existing employees must obtain or renew certification within timelines prescribed by management
- Failure to obtain certification within the stipulated period may lead to reassignment, suspension of responsibilities, or disciplinary action

4. Responsibility of the Company

The Company shall:

- Encourage and facilitate NISM certification for eligible employees
- Provide access to training resources and study support where feasible
- Maintain a register of certified employees
- Track validity and renewal timelines of certifications
- Ensure compliance during regulatory inspections and audits

5. Employee Responsibilities

All applicable employees shall:

- Enroll for and complete the NISM Series VII - SORM/ NISM Series VIII certification within the prescribed timeframe
- Maintain valid certification throughout employment in relevant roles
- Inform the Compliance Department upon completion or expiry
- Participate in refresher training, if required

6. Monitoring & Record Keeping

The Compliance Department shall:

- Maintain a **Certification Register** for all relevant employees
- Track certification status (obtained / pending / expired)
- Report compliance status to senior management periodically
- Ensure records are available for regulatory inspection

7. Non-Compliance

Failure to comply with this policy may result in:

- Suspension from operational responsibilities
- Restriction of system access
- Disciplinary action including termination in severe cases

- Reporting to management and inclusion in compliance review reports

8. Training & Support

The Company may:

- Provide guidance on NISM examination structure
- Facilitate internal or external training sessions
- Share study material and updates related to regulatory changes

9. Review of Policy

This policy shall be:

- Reviewed annually
- Updated in line with regulatory changes issued by SEBI or NISM
- Approved by the Board of Directors / Partners / Proprietor as applicable

for CapitalSquare Financial Services Pvt. Ltd.


Authorised Signatory

