Daily news summary

SEBI IT Resilience Index for Market Infrastructure Institutions

UPSC Civil Services · 26 August 2026 · Prelims and Mains

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WHY IN NEWS

- Securities and Exchange Board of India launched an IT Resilience Index to assess and enhance the operational stability and cybersecurity readiness of Market Infrastructure Institutions.

WHAT IS THE IT RESILIENCE FRAMEWORK?

- A regulatory tool created by SEBI under the SEBI Act, 1992, to measure software fault tolerance, system redundancy, and business continuity capabilities of key market entities.
- Applies to Market Infrastructure Institutions (MIIs) including stock exchanges, depositories, and clearing corporations.

KEY PROVISIONS AND DEADLINES

- Mandates real-time monitoring of critical service delivery and implementation of Early Warning Systems (EWS) for technical glitches.
- Sets February 28, 2027, as the deadline for MIIs to complete full system integration and operational rollout.

WHY IT MATTERS

- Protects market integrity and prevents financial systemic disruptions caused by recurring trading halts or technological outages.
- Enhances risk mitigation mechanisms across core capital market infrastructure.

KEY TERMS

- **Market Infrastructure Institutions (MIIs):** Key financial institutions like exchanges, depositories, and clearing houses that provide the operational network for capital market transactions.
- **Early Warning System (EWS):** An automated monitoring mechanism designed to detect operational anomalies or technical failures before they cause system breakdowns.

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PRELIMS FACTS

- Market Infrastructure Institutions (MIIs) include Stock Exchanges, Depositories, and Clearing Corporations regulated by SEBI.

MAINS DISCUSSION

- Role of technology risk management in protecting financial system stability.

KEY DATA

- **Regulator:** Securities and Exchange Board of India (SEBI) - Statutory body empowered under SEBI Act, 1992 to regulate Indian securities markets.
- **Compliance Deadline:** February 28, 2027 - Target date for complete adoption of IT Resilience Index and EWS by MIIs.

Official source