Circular No.: NSDL/POLICY/2022/056 April 12, 2022

Subject: SEBI circular on guidelines in pursuance of amendment to SEBI KYC Registration Agency (KRA) Regulations, 2011.

Attention of Participants is invited to SEBI Circular No. SEBI/HO/MIRSD/DoP/P/CIR/2022/46 dated April 6, 2022 regarding guidelines in pursuance of amendment to SEBI KYC Registration Agency (KRA) Regulations, 2011 (Copy enclosed).

Participants are requested to take note of the above.

For and on behalf of

National Securities Depository Limited

Arockiaraj
Manager

Enclosed: One

FORTHCOMING COMPLIANCE			
Particulars	**Deadline**	**Manner of sending**	**Reference**
Investor Grievance Report (Monthly)	By 10th of the following month.	Through e-PASS	Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015
Artificial Intelligence /Machine Learning Reporting Form (if offering or using such technologies as defined) (Quarterly)	By 15th of the following month.	Through e-PASS	1. Circular No. NSDL/POLICY/2019/0016 dated March 27, 2019 2. Circular No. NSDL/POLICY/2021/0102 dated October 04, 2021
Cyber Security & Cyber Resilience framework of Depository Participants (Quarterly)	By 15th of the following month	Through e-PASS	1. Circular No. NSDL/POLICY/2019/0039 dated July 9, 2019. 2. Circular No. NSDL/POLICY/2020/0069 dated May 15, 2020
Tariff Sheet (yearly)	April 30th every year	By email at dpfees@nsdl.co.in	1.Circular No. NSDL/POLICY/2006/0064 dated December 26, 2006. 2.Circular No. NSDL/POLICY/2007/0003 dated January 8, 2007
Internal/ Concurrent Audit Report (October - March)	May 15th every year	Through e-PASS	Circular No.: NSDL/POLICY/2022/049 dated April 01, 2022
Risk Assessment Template (October - March)	April 30th every year.	Through e-PASS	Circular No. NSDL/POLICY/2018/0050 dated September 25, 2018
Reporting of status of the alerts generated by Participants- (Quarterly)	Within 15 days from end of the quarter	Through e-PASS	1. Circular No. NSDL/POLICY/2021/0072 dated July 15, 2021 2. Circular No.: NSDL/POLICY/2022/001 dated January 03, 2022

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Name : AROCKIARAJ
Date : 12-04-2022 15:48:13
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भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/MIRSD/DoP/P/CIR/2022/46 **April 06, 2022**

To,

SEBI Registered Intermediaries*:*
1. KYC Registration Agencies (KRAs),
2. Stock Brokers through Stock Exchanges,
3. Depository Participants (DPs) through Depositories,
4. Mutual Funds (MFs) and AMCs
5. Portfolio Managers (PMs)
6. Collective Investment Schemes (CIS),
7. Investment advisors
8. Registrar and Transfer Agents
9.Custodians
10.Alternate Investment Funds (AIFs)
11.Association of Mutual Funds in India (AMFI)

Dear Sir/Madam,

Subject: Guidelines in pursuance of amendment to SEBI KYC (Know Your client) Registration Agency (KRA) Regulations, 2011

SEBI vide its circular MIRSD/Cir- 26 /2011 dated December 23,2011 had issued guidelines to implement the SEBI {KYC Registration Agency (KRA)} Regulations, 2011. SEBI KRA Regulations, 2011, has been amended on January 28,2022 vide a Gazette Notification No. SEBI/LAD-NRO/GN/2022/72 (Annexure A). With a view to implement the regulations effectively, the following additional guidelines are being issued:

1. KRAs shall continue to act as repository of KYC data in the securities market and shall be responsible for storing, safeguarding and retrieving the KYC documents and submit to the Board or any other statutory authority as and when required.
2. KRAs shall independently validate records of those clients (existing as well as new) whose KYC has been completed using Aadhaar as an OVD. The records of those clients who have completed KYC using non-Aadhaar OVD shall be validated only upon receiving the Aadhaar Number.
3. During the process of validation, KRAs shall validate the following details:
    a. Aadhaar through Unique Identification Authority of India (UIDAI) authentication/verification mechanism.
    b. Mobile number and e-mail ID using OTP validation (only in cases where mobile number and e-mail ID provided by client are not seeded with Aadhaar)
    c. PAN using the Income Tax Database.

4. The KRAs shall develop systems/mechanism, in consultation with SEBI and in co-ordination with each other, and shall follow uniform internal guidelines detailing aspects of identification of KYC attributes and procedures for KYC validation.
5. The systems of Registered Intermediaries (RIs) and the KRAs shall be integrated to facilitate seamless movement of KYC documents to and from the RIs to the KRAs.
6. KRAs shall promptly inform the respective RIs of deficiency/inadequacy in client's KYC documents, if any, that is observed for validation.
7. On successful completion of KYC validation, a unique client identifier called KRA identifier shall be assigned by KRA to the client and such KRA identifier may be used by the client for opening of account with any other intermediary, without repeating the KYC process.
8. The KYC records of new clients (who have used Aadhaar as an OVD) shall be validated within 2 days of receipt of KYC records by KRAs.
9. KYC records of all existing clients (who have used Aadhaar as an OVD) shall be validated within a period of 180 days from July 01, 2022.
10. KRA shall intimate the KRA identifier to the client within 2 working days of receipt of KYC records by the KRAs by post or email and maintain the proof of dispatch.
11. Clients whose KYC records are not found to be valid by KRA after the validation process shall be allowed to transact in securities market only after their KYC is validated.
12. In case of KYC based on non-Aadhaar OVD, the KRA shall only store such records and the same would not be validated by KRAs unless Aadhaar number is provided by the client.
13. The validation of all KYC records (new and existing) shall commence from July 01, 2022.
14. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 and Regulation 17 of the SEBI (KYC (Know Your Client) Registration Agency) Regulations, 2011 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

Yours faithfully,

Narendra Rawat
General Manager
Market Intermediaries Regulation and Supervision Department
Tel. no.:022 2644 9383
email id: narendrar@sebi.gov.in